

Edinburgh BBC centre to go ahead

The BBC is to go ahead with plans for a new broadcasting centre in Edinburgh, which had been deferred because of lack of funds. The centre will cost between £8m and £10m, the first £250,000 to be spent in 1984-85 and the rest in 1985-86 and 1986-87.

The BBC owns land at Leith Walk, in the Scottish capital, bought as the site for a new centre in 1976. Subsequent financial difficulties have delayed the project, but the centre will still be built there, but two other sites are also being examined.

Pensioner faces damage charge

A pensioner aged 71 was among 29 people who were remanded on bail until May 23 by magistrates at Chelmsford, Essex, yesterday, accused of conspiracy to cause damage at an animal research centre. Miss Louise Woodcock, of Winchmore Hill, north London, was charged with 11 other women and 19 men aged between 17 and 59.

The charges arose from an incident at the Laboratory at Stock, near Chelmsford, on February 14, when dozens of demonstrators freed a number of animals.

Search for crash victims fails

A search by Sea King and Wessex helicopters and the assault ship Intruder yesterday failed to find any survivors of a Cessna 172 aircraft which crashed into the sea between the Isle of Wight and the Dorset coast on Wednesday.

A couple and their daughter, aged 11, from Paris, together with a male friend, were on board the plane, flying from Cherbourg to Southampton.

Pipe smoker dies after fire

A man who was badly burnt 11 days ago after dozing in his locked car while smoking his pipe has died in hospital in Sheffield.

Mr Malcolm Pearce, aged 45, a butcher, of Herbert Street, Kimberworth, Rotherham, South Yorkshire, suffered severe burns when the car burst into flames in the car park of a public house at Misterton, near Doncaster, on Wednesday.

Andersson is beaten

Lajos Portisch, the Hungarian Grand Master, increased his hold on the lead in the Phillips and Drew Kings Tournament at County Hall, London, yesterday (Harry Golombek writes).

He beat Ulf Andersson in the seventh round. It was Andersson's first loss in the tournament. Anatole Karpov, the world champion, adjourned his game against Timman in a winning position.

Correction

The LAG Bulletin, published by the Legal Action Group, which was described in "Horizons" on April 15 as "a student magazine for trainee solicitors", is a monthly journal for practising lawyers and advice workers.

Labour puts its heart into sexual equality

By Anthony Levins, Political Correspondent

A Labour plan to create sex equality units in every Government department is being considered for inclusion in the 200-page party rolling manifesto, which is to be put to this year's conference in Blackpool.

Staff at party headquarters in London are drawing together documentation for this overall policy document, which is to be ratified by a special meeting of the national executive committee on May 19.

A paper on women's rights drafted for the executive's home policy committee suggests that a Labour government will include a senior woman minister, of Cabinet rank, who will coordinate a campaign against sexual discrimination.

It says: "She will receive backing from the creation of specialised sex equality units in all the government departments. These units will act as the focal point within the departments for consideration of matters related to sexual inequality."

Mr Michael Foot, the party leader, last year indicated a move in that direction when he appointed Miss Joan Lester, a member of the Commons spokesperson on women's rights and welfare.

The policy paper says: "Our aim is to create a very different society, in which women are no longer oppressed as members of a socially inferior gender and a much more radical and equitable citizenship is achieved for men, women and children."

The document advocates a code of practice to control sexism in the media and in

advertising; more child-care facilities; a review of divorce and maintenance; a programme to challenge job discrimination; and an overall offensive against pay discrimination, which would include the principle of pay comparability for women.

It states: "Women play many roles, but the ones assigned to them by society are narrow stereotypes. They are regarded as wives and mothers, exploited as sex objects or viewed with suspicion as temptresses, but rarely as individuals with their own worth. Those that are regarded as 'successful' are dismissed as exceptions — a man's kind in a woman's body."

"We are concerned about the superficial, misleading representation of women in the mass media and in advertising, which, through constant and insidious conditioning, has a powerful impact."

"Even more disturbing is the spread of sex shops and pornographic literature and films which create a climate in which violence against women is likely to increase."

More than half the population were women, and yet they earned less than three-quarters of the average man's wage, and because most of them were employed in the service sector, many part-time, they had been hit hardest by Government cuts in spending. "The number of women registered as unemployed has more than doubled since the Tories came to power," it is stated.

Women had been designated as unpaid domestic labourers, barred from active trade union involvement, forced into economic depen-

dency on men, and deprived of the opportunity to exploit their full potential. An expansion of child-care would be necessary, as well as a reorganization of paid employment, to free women from looking after young children; barring them from equality of opportunity.

Positive action would help women to train and apply for better paid, more skilled employment. "The new Labour government will ensure that the Civil Service and government contractors implement positive action programmes, and will also require local authorities, employers, training and educational bodies to follow our lead."

The final element of the campaign would be an offensive against low pay and the establishment of a principle of pay comparability, enhanced by amendments to the Sex Discrimination Act, barring direct and indirect discrimination on grounds of family status, shifting the burden of proof in discrimination cases from the complainant to the alleged discriminator, and repealing the small firms exemption.

The paper also states that the assumption of female dependency must be eradicated from the welfare state. "The new Labour government will, therefore, outlaw discrimination against women in all spheres, including the tax and social security system."

This same principle of equality would also apply to marriage. "In the case of breakdown, the real issue should be the maintenance of children, not spouses. Women should be encouraged to be independent."

Dispute in AUEW over automation

From Donald MacIntyre, Labour Correspondent, Eastbourne

A struggle between the Amalgamated Union of Engineering Workers' manual and white collar sections started yesterday over the control of automated machine tools, now being introduced in manufacturing industry.

The AUEW engineering section at a conference in Eastbourne committed itself to a series of factory-level battles against white collar unions, over who should represent staff using new technology in engineering companies.

The division in likely to widen the split between the right-winged engineering section and the Communist-led white collar Technical, Administrative and Supervisory Staffs' section (AUEW Tass), which is loosely federated to it.

Tass, which is already locked in a legal battle over the future structure of the four-section AUEW, has been in the forefront of a recruitment conflict with the engineering section over who should represent technicians on the factory floor.

Yesterday's decision, carried by 55 votes to 35 against strong left-wing opposition is likely to prove the most significant taken on new technology by the AUEW manual section, which fears that its skilled members

could be squeezed aside by the expanding use of computer numerically controlled (cnc) machines.

The union's policy-making national committee called an annual resolution calling on the executive to ensure that when tool systems are introduced "our craftsmen will be responsible for the complete control of the machines and control systems". The resolution further insisted that the union should maintain "full negotiating rights for the members" and that craftsmen should be given training in the new systems and the programming of computer tapes.

A demand for retirement at 60 and a progressively reduced working week on full pay for employees aged over 55 was adopted at the conference.

The AUEW, two of whose shop stewards were criticized in a Commission for Racial Equality report last year, is to incorporate anti-racism material in its standard course for the 700 senior work place representatives it trains each year.

The CRE served anti-discrimination notices on the stewards at British Leyland's Castle Bromwich plant after a case in 1979 in which an all-white fitters' section refused to work with a black recruit.

Unions fight rail shop closures

By Paul Routledge, Labour Editor

British Rail yesterday announced its intention to close two workshops, at Horwicks Greater Manchester and Shildon, Co Durham, under plans to make 5,000 engineering employees redundant over the next year.

The management asked the National Union of Railwaymen (NUR) and the Confederation of Shipbuilding and Engineering Unions (CSEU) to co-operate in the slimming down of its engineering division, but the unions' first response was that they would fight the closures.

Apart from the closure of the two plants, job cutbacks are scheduled at other works because of over-capacity in wagon, carriage and locomotive maintenance departments. A partial rundown of the Swindon works, once the pride of the railway system, is also in prospect.

British Rail cited a fall-off of business in the export market for wagons and a drastic reduction in the United Kingdom wagon fleet from 132,000 to 75,000 over the past two years as the cause for the redundancies.

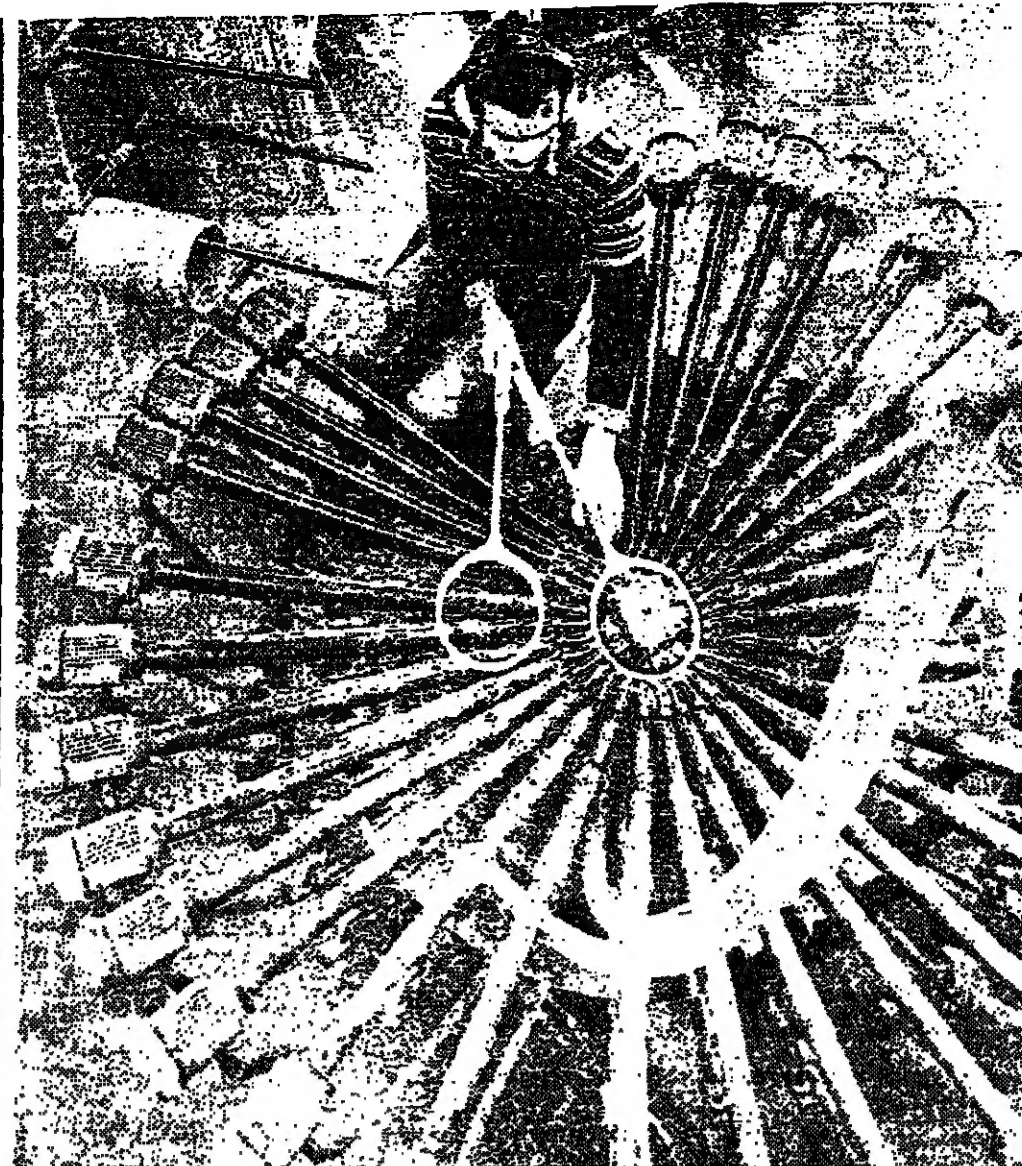
Employment at the Derby carriage works has been secured by recently announced orders for new coaching stock for Irish and Kenyan railways worth a total of £50m.

A spokesman for the NUR said last night: "We have a policy of no works closures and no compulsory redundancies. If the British Railways board wants to go down this line it will be in a direct confrontation with the National Union of Railwaymen". He accused the board of wanting to shed assets to raise cash for the day-to-day running of the railways.

The workshops job cutbacks come at a time when the NUR leadership is under increasing pressure from a new rank-and-file National Left movement. Mrs Shirley Porter, chairman of the council's highways, works and cleansing committee.

She favours a "go-go" campaign to chime with her own adventurous policies for sharpening efficiency. Mrs Porter is responsible for such schemes as the sponsorship of central London litter bins by private firms.

Her abrasive enthusiasm is not universally admired, but depending on where the Tories make the few losses



Well drilled: Mr Keith Phillips using 32 drills to bore out string holes in a squash racquet at Grays of Cambridge, who have been employing a design consultant to help them to fight back against cheap imports from Taiwan and Japan.

Alliance threat to Westminster Tories

By David Walker

For the first time since the reorganization of London local government in the early 1960s, the Borough of Westminster's Conservatives are harbouring doubts about the loyalty of the masters of Kensington and the citizens of Mayfair.

Not lingering doubts, just a flicker that crosses the minds of Tories when they see the canvassers of the Social Democratic Party invading genteel doorsteps.

Westminster council is solid Tory. The Labour Party, which holds 19 of the 60 council seats, might hope in the very best of years to add ten or so to that total — not enough for control.

The Social democrats and their Liberal allies are a novel element: they are putting up 53 candidates and running one of the most elaborate Alliance campaigns in London; they pose the threat of uncertainty.

To take control, the Alliance candidates would need success in the Conservative heartlands of Knightsbridge, Belgrave and Hyde Park. On present evidence that does not seem likely. "Unthinkable" is the standard Tory reaction. None the less, canvassers with true blue rosettes are cultivating their friendly territory with unusual zeal.

Westminster stretches from Millbank to Covent Garden and from Regent's Park to Kensal Rise. Characteristically, its Tory leaders have been careful spenders of the area's remarkably high rateable income. They have also shown paternalist concern for the borough's poor and black neighbourhoods, most of them in north Paddington. Above all they have been cautious.

In recent years, the Tory ranks have gained several young Turks who have pressed for a more active and sometimes more ideological approach. At their head is Mrs Shirley Porter, chairman of the council's highways, works and cleansing committee.

She favours a "go-go" campaign to chime with her own adventurous policies for sharpening efficiency. Mrs Porter is responsible for such schemes as the sponsorship of central London litter bins by private firms.

Her abrasive enthusiasm is not universally admired, but depending on where the Tories make the few losses

they expect, the May elections could leave her poised to become the leader of the council when the present long-serving incumbent, Mr David Cobbold, steps down.

For Labour, a big issue in Westminster will always be housing. Ratchmanism is still a folk memory in Paddington. The core of the party's strength are the 25 per cent or so of electors who are tenants of the council, concentrated in Queen's Park, Lisson Grove, Paddington and Harrow Road.

Mr Joe Hegarty, leader of the Labour group on the council, reported that meetings in March called by his party on bus and Tube fares were well attended. "London transport fares are a vote-winning issue for us".

Whether the same can be said of Paddington's GLC representative, Mr Ken Livingstone, is not clear. The Social Democrats charged, at a press conference earlier this week, that the Labour Party has recently become left-wing. In fact in most wards its candidates are not extreme: only four out of 60 are aligned with the "London Labour Briefing" group of left-wingers.

For a new party, the SNP in Westminster has had the borough election in its sights for a surprisingly long time. Canvassing began months ago, causing some of the old hands of the other parties to wonder about the Alliance's knowledge of electoral expenses law.

Relations with the local Liberals, who have not previously been a force, have been smooth. Voluntary policy statements have been drafted, concentrated on housing.

According to Mr Guy Halliwell, a former Liberal, who has coordinated the establishment of the SNP in the borough, "it is control of the council we are aiming at and our canvass returns indicated that this is a strong possibility."

Socially, the SDP considers its support will come from disaffected council tenants who consider Labour has no chance of gaining control and who despair of the Labour Party's leftward drift from bed-sitter and other private tenants; and from middle-class residents who have been taken for granted and ignored by the Tories.

Plastic bullet boy buried amid rioting

From Richard Ford, Belfast

Blat bombs were thrown at the police and vehicles burnt after being hijacked in Londonderry yesterday as a boy aged 11 who died on Monday, three days after being struck by a plastic bullet, was being buried.

Rioting has taken place in the city since Steven McCoomy's death and two men were injured after a nail bomb exploded in the city centre shortly before midnight on Wednesday. One of the men, aged 67, was seriously ill in hospital last night.

In the Bogside district a car belonging to a woman who has condemned all forms of violence was gutted by fire after youths attacked it for the second night running. Mrs Eileen Semple, aged 54, a widow with seven children, is chairman of the Bogside and Craggan Christian Mothers' Association. She has been the target of abuse since Steven McCoomy's death, when she alleged that recent rioting in the city was part of an orchestrated campaign of violence.

In Brussels yesterday, political manoeuvring prevented the debate in the European Parliament on a resolution demanding that the use of plastic bullets be banned in all EEC member states.

It had been thought that the resolution proposed by Mr Neil Blaney, independent European MP from the Irish Republic, would be heard yesterday, but when it was decided in which order to discuss items the issue of plastic bullets was near the end.

Three people died as a result of being hit by rubber bullets between 1972-73 and a further 11, including six children, have died after being hit by plastic bullets since 1975. Seven died during the period of last year's hunger strike, including three children. Hundreds have suffered injuries, including fractured skulls.

A call for an end to the use of plastics bullets came yesterday from the National Council for Civil Liberties after a report by Lord Gifford, QC, on the death of Paul Whitty, aged 15, in Londonderry a year ago (David Nicholson-Lord writes).

The trial in Dublin of Gerard Tuite, who once topped Scotland Yard's "most wanted" list will begin on June 21 (the Press Association reports).

The date was fixed yesterday at Dublin's Special Criminal Court. Mr Tuite, aged 27, from Cavan, is accused of causing explosions in England between January, 1978 and March, 1979.

Overseas selling prices:
Australia \$2.38; Bahrain \$0.60; Belgium \$1.75; Brazil \$1.00; Canada \$1.00; Denmark \$1.00; France \$1.00; Germany \$1.00; Greece \$1.00; Hong Kong \$1.00; India \$1.00; Italy \$1.00; Japan \$1.00; Korea \$1.00; Kuwait \$1.00; Lebanon \$1.00; Libya \$1.00; Luxembourg \$1.00; Malaysia \$1.00; Mexico \$1.00; Netherlands \$1.00; New Zealand \$1.00; Norway \$1.00; Oman \$1.00; Pakistan \$1.00; Portugal \$1.00; Qatar \$1.00; Saudi Arabia \$1.00; Singapore \$1.00; Spain \$1.00; Sweden \$1.00; Switzerland \$1.00; Taiwan \$1.00; Thailand \$1.00; Turkey \$1.00; United Arab Emirates \$1.00; United Kingdom \$1.00; United States \$1.00; Yugoslavia \$1.00.

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For further information please contact Doree Rose Ext 232.

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Abolition of Schools Council deplored

By Diana Geddes, Education Correspondent

The Government's decision to abolish the Schools Council for Curriculum and Examinations and replace it by two smaller government-appointed quangos was condemned yesterday by opposition MPs, local authorities and teachers' organizations as another dangerous step toward greater central control.

Mr Neil Kinnock, Labour spokesman on education, said that the decision "could change the whole direction of the British education system."

The schools council is a charitable trust which was set up by the Government and local authorities 18 years ago to carry out research into curriculum development, teaching methods and examinations in schools.

It comprises a permanent secretariat of 131 staff and three main committees consisting of nominees of a wide variety of groups with an interest in education, including teacher unions, local authority associations, trade unions, employers, universities, examination boards, independent schools, and parents.

Its budget this year, which is shared by the Government and the local authorities, is £3.5m.

Announcing the Government's decision in the Commons yesterday, Sir Keith Joseph, Secretary of State for Education and Science, said that he and the Secretary of State for Wales had concluded that "a single body, constituted as an elaborate network of committees on the lines of the school council, is not well placed to carry out both functions" (the examinations and curriculum development).

The Government nevertheless felt the need for independent authoritative advice on how examination might best serve national aims for education. It therefore proposed the establishment of a small examinations council, appointed and funded by the Government.

It also believed there should be a small national curriculum development body with the limited task of devising syllabi, helping to fill them and assisting with the dissemination of curricular innovation.

It therefore proposed to discuss with the local authority associations the establishment of a school curriculum development council, most of whose members would be teachers, but who would be appointed by the Government in consultation. It would be financed jointly by the Government and the local authorities.

Mrs Nicole Harrison, chairman of the Labour-controlled Association of Metropolitan Education Authorities, said that they deplored the Government's decision to abolish the schools council, and viewed his proposals with disquiet.

However, Mr Alistair Lawton, chairman of the Conservative-controlled Association of County Councils, said the proposals were interesting and added that they looked forward to seeing how they would be worked out.

Mr Peter Andrews, acting chairman of the schools council and the new president of the Secondary Heads Association, said the decision to replace the quango by two "quangos" showed that the work of the schools council was essential. But he regarded it as a political move.

Most of the teacher unions echoed Mr Andrews' views, but in more forthright terms. Mr William Stubbs, director of education (schools) for the Inner London Education Authority since 1979, has been selected as the authoritative figure in the succession to Mr Peter Newsam, who leaves this autumn to become chairman of the Commission for Racial Equality. Mr Stubbs, aged 44, will be in control of an annual budget of about £800m.

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Nurses to be balloted on 6% pay offer

By Jeanette Mitchell

The Royal College of Nursing, the only nursing union which forbids strike action, is to ballot its members on the Government's 6.4 per cent pay offer.

The college's 195,000 nurses will be asked to accept or reject an offer which will give student nurses now taking home £45.5 a week, a further £1.31 and staff nurses, taking home £59.06 after three years' training, a further £1.77.

Although the college continues to insist that the offer is inadequate and says it will not be recommending to its members which way to vote, the decision to hold a ballot will be widely seen as a tacit acceptance of the offer. No previous pay offer that has been put to a ballot in the royal college has been rejected by the membership.

Dame Catherine Hall, general secretary of the college, said yesterday: "We want to make it very clear that we are not retracting from our firmly held view that our 12 per cent claim was very reasonable, but we feel we have come to the end of the constitutional road."

The TUC-affiliated health service unions had hoped the college would hold out longer, but say a ballot decision will make no difference to their plans for industrial action.

When the Confederation of Health Service Employees (Cohse) begins its industrial action on Monday, members of the royal college have been instructed not to do the work of striking colleagues except when patients are at risk.

If in the ballot, which will cost about £50,000 and take between four and five weeks to complete, the pay offer is rejected, the nurses' campaign to influence the public and MPs will be continued.

A police van driver told senior officers after a disabled man had died from injuries received when hit by the vehicle during the disorders at Toxteth, Liverpool, last July: "At no time did I drive at anybody".

Two Merseyside police officers pleaded not guilty to unlawful killing.

The jury were also told by prosecution counsel that earlier on "confused and excited" night, a senior officer had briefed his men that they did not have general permission to use vehicles as tactical weapons.

The court heard how the Bedford Transit van, which was being used as a personnel carrier, drove on to waste land off Upper Parliament Street. It and officers had come under attack from between one and two hundred rioters throwing petrol bombs and other missiles.

The van was "gunned" at very high engine revolutions across the ground to disperse the rioters.

Constable James Keenan, aged 30, of Grassmere Avenue, the driver, and Sergeant Keith Andrew Wilkin-

son, aged 34, of Buttermere Close, Magill, said to be in charge of the vehicle, are accused of the manslaughter of David Andrew Moore, aged 23, of Avondale Road, Wavertree, Liverpool, who died on July 29 last.

Mr William Macpherson, QC, for the prosecution said that Mr Moore in company with Mr John Flynn, his brother-in-law had been crossing wasteland in the area of Upper Hunsdon Street when they encountered a group of rioters running from the police van. They could not get against the tide and turned and started to go with it.

Mr Moore, partially disabled, was hopping and attempting to run, and got on to a footpath. The van came along towards him with its headlights on, two wheels on the path and two on the waste ground.

Witnesses saw Mr Moore illuminated in the headlights and then he was struck by the vehicle, probably on its front left side. There was no slackening of its speed of about 20 mph and no brakes were applied, Mr Macpherson said. A journalist who was at the scene recorded the time

as 10.51 pm on July 28. There was no doubt that the van ran down Mr Moore, as a result of which he died, Mr Macpherson said.

He continued: "If the driver and the sergeant failed altogether to see Mr Moore, then that speed and lack of observation were factors that caused such a failure to amount to negligence of the highest and most blameworthy degree."

Later they told an inspector at Huxton police station that from what they might have had an accident without knowing about it because their vehicle had been in the area at the time, Mr Macpherson said.

Asked if they could have run over anybody without their knowing, the reply had been: "No, I do not think so, but we were bouncing all over the place — it was very rough."

Constable Keenan had allegedly told senior officers when asked if he had driven at a crowd of people: "At no time did I drive at anybody. I did not see a person come nearer to me than three yards".

The hearing continues today.

The hearing continues today.

The hearing continues today.

By Diana Geddes
Education Correspondent
The Government's decision to abolish the Schools Council and replace it by the smaller government-run Education Committee has been deplored by educationists. The Schools Council was set up in 1973 to co-ordinate the efforts of local education authorities and the Department of Education in the field of curriculum and examinations. It was a unique body, with representatives from both the Government and local authorities. The Schools Council has been successful in its work, and its abolition is seen as a step backwards.

Mr. Neil Hinnock, Labour spokesman on education, said that the decision to abolish the Schools Council was a "disastrous move" and that it would "set back the cause of education in this country". He said that the Schools Council had been a "valuable body" and that its abolition would "mean the end of a unique co-operation between the Government and local authorities".

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Mrs Williams calls for inquiry on Cleeland case

By Frances Gibb

Mrs Shirley Williams, the SDP MP for Crosby, is to ask Mr William Whitelaw, the Home Secretary, if he will order either an inquiry into a retrial of the case of Paul Cleeland, a Stevenage decorator serving a 20-year prison sentence for murder, or a full investigation into the case. Mrs Williams said that the case of Paul Cleeland was "a tragedy" and that it was "essential" that the Home Office should "investigate the case" and "bring about a retrial" if it was "possible".

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Trust will tighten land rules

By Hugh Clayton
Environment Correspondent

Leaders of the National Trust have decided privately to take a stricter line with public bodies that want to build on its property. The decision to allow the Ministry of Defence to build an underground bunker on a trust farm has convinced the leaders that there is too much risk in such cases of political entanglement. The decision to allow the Ministry of Defence to build an underground bunker on a trust farm has convinced the leaders that there is too much risk in such cases of political entanglement.

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Catherine Bailey, aged two, seemed more interested in the Lord Mayor's chain than a storybook when Sir Christopher Leaver and the Lady Mayoress visited the new Barbican library yesterday.

Silicon Glen lures £400m investment

From Jonathan Wills, Glasgow

"Silicon Glen" used to be a catch phrase employed by public relations men to describe the microchip business in Scotland. The cliché has now come true. According to the Scottish Development Agency, the Central Lowlands are the best place in Europe for investment in such companies involved in such pursuits as artificial intelligence, opto-electronics and VLSI (very large scale integration).

The agency unveiled a report yesterday to publicize Scotland's electronic achievements and attract further investment in computer graphics, robotics, data matrices and video display units. Agency officials noted that even the Japanese wanted to invest in Silicon Glen. Americans were eager to make electronic wafers near Dollar, and the French and the Germans showed interest too.

About £400m has been invested in Silicon Glen over the past five years. Already 4,000 lowland Scots are employed by more than 200 electronics firms. That puts Scotland in the world class, the report says. A key factor has been the great reserve of expertise on Scottish higher education. The country's eight universities and 25 technical colleges help new and established companies to design machines which remove the need for skilled and unskilled labour alike.

Defence and space electronics are a forte of such Scottish-based companies as Ferranti. Mr Alexander Fletcher, the Scottish Minister for Industry, was present to give the proceedings the seal of approval and to apply the plans of the agency's new electronics division, which has a budget of £10m.

Mr Fletcher radiated optimism about the new industry, as well he might. His job, at least, is too complicated to be taken over by the robots. An Indian woman who has been refused supplementary benefit because she cannot speak English is to appeal to the Social Security Commissioners in London.

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New boot does not wear out mountains

By Ronald Faux

Mr Kenneth Ledward is a noted climbing equipment specialist whose concern for mountains has led him to design a boot that does not wear out. The boot is made of a material that is lighter and more flexible than average, he said. The sole had broadly spaced cleats and round studs of rubber that did not pick up the pathway. The boot is marketed by Karri-moor, a British company, but has been manufactured in Italy. "No British company would come up with the goods at a reasonable price," he said.

Mr Ledward argued that most walkers and backpackers were "overbooted", shod for the Alps when something much lighter and easier on both feet and the countryside would do. He conducted a survey among students of outdoor education and discovered that for general use most preferred gym shoes or a training shoe. He also noted that people in lighter footwear moved faster, were more agile and suffered less from sore feet.

By the time a few hundred thousand walkers have tramped up the same path it is not surprising that quite a lot of it is no longer there. The Ken Ledward Equipment Testing Service (Kleats) has investigated a range of climbing equipment from thermal underwear to non-waterproof waterproofs, but nothing as basic as a boot. He showed me a well battered example of his design in which he had walked 1,540 miles across the mountains. "There is still plenty of life in them. They are designed basically to be safe and to give a better grip on mixed ground. The edges are more rounded and the whole boot

much lighter and more flexible than average", he said. The sole had broadly spaced cleats and round studs of rubber that did not pick up the pathway. The boot is marketed by Karri-moor, a British company, but has been manufactured in Italy. "No British company would come up with the goods at a reasonable price," he said.

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Pollution threat by reservoir critics

By Craig Seton

A group opposed to the siting of a new reservoir in farm land in the Roadford Valley, in west Devon, is threatening deliberately to pollute the river Tamar if the scheme goes ahead. The threat was made at the end of a third public inquiry this week into the proposed size of the reservoir, whose siting on 730 acres of the valley has already been accepted by Mr Michael Heseltine, Secretary of State for the Environment.

The scheme has for years run into intense opposition from the National Farmer's Union, Mr Peter Mills, Conservative MP for Devon, West, more than a dozen farmers who will be affected, and other residents in the valley. They are still fighting the choice of site and although that decision has already been made, and insist that the reservoir should be on Dartmoor and not on agricultural land.

Mrs Rosemary Cook, the wife of a farmer whose land at Broadwoodwidge, near Liston, is not affected by the scheme, said yesterday that her 12-member Roadford Valley Defence Committee would "contaminate the Tamar, which runs between Devon and Cornwall, if the valley was flooded."

She said the Tamar was visited by tens of thousands of people a year and the plan to pollute it would be accompanied by an intensive publicity campaign to draw the public's attention to the "damned stupid" plan for the reservoir. "There is an enormous amount of waste land on the moor near by, but they are going to flood good, profitable farm land which produces enormous amounts of beef, sheep and corn. We hope it will not come to it, but if they flood the Roadford Valley we will carry out our threat," she said.

Mrs Cook, aged 38, who refused to identify the other members of the defence committee, accused Mr Heseltine and the South West Water Authority of agreeing to the Roadford site rather than one on moorland near by because of the strength of the Dartmoor Preservation Society, which she said was violently opposed to the use of any more land for the reservoir.

The water authority has found that the Roadford scheme has become its most difficult plan since it was put forward eight years ago. Three public inquiries have been held into the scheme. The first led to a recommendation from the inquiry inspector that Roadford should be the site. A second was held into the possible effect on the strength of the Tamar of the reservoir's dam, which is to be a quarter of a mile long.

The third inquiry was held over two days this week on the directions of Mr Heseltine, who wanted the water authority to reconsider the reservoir's size. The water authority is insisting that the size should remain as planned. The water authority has spent up to £1m buying up farming land and property. It said yesterday that it did not take Mrs Cook's threat too seriously, but if people acted illegally it would call in the full force of the law. A decision on the size of the reservoir by the new public inquiry is not expected for several months.

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Body could be woman who escaped

From our Correspondent

A CID chief revealed yesterday that the naked remains of a unidentified woman could be those of a convicted killer who escaped from prison three years ago.

Det Chief Supt Strickland Carter, who has led an eight-month investigation to identify the skeletal remains discovered in a North Yorkshire beauty spot, said yesterday he believes the woman could be Geraldine Elizabeth Crawley, a mother of two, who was 31 when she absconded from Askham Grange women's open prison, near York, in September, 1979. She had served only four months of a three-year sentence for killing an old woman in Liverpool.

The petite Irish brunette, who had lived in Texteth, where the killing took place, walked out of the prison gates after finishing her duties in the grounds. She has never been seen since.

She left behind two young sons and a man with whom she lived. Her sons, both aged under 10, are living with foster parents in the Liverpool area and know nothing of their mother's past.

Two years after Crawley escaped detectives acting on anonymous telephone information found the remains of a woman in her thirties in thick undergrowth at Sutton Bank, about 30 miles from Askham Grange prison.

Police scientists established that the remains had lain undisturbed only yards from a busy road for at least 12 months, and possibly up to two years.

Power prices 'raised by nuclear costs'

By Pearce Wright, Science Editor

The reason for the price of electricity rising much faster than the rate of inflation over the past few years lies in the high costs to the Central Electricity Generating Board (CEGB) of its nuclear energy programme.

Mr Colin Sweet, director of the Centre for Energy Studies in London, said yesterday that when he introduced *The Costs of Nuclear Power*, an analysis prepared at the centre. It is published by the Anti-Nuclear Campaign as part of its build-up of opposition to plans to build 10 of the American designed pressurized water reactors (PWRs), in Britain in the 10 years from 1984.

Mr Sweet says the price of coal sold to the generating board has been held in line with inflation, and even the high price of oil since 1979 cannot be blamed for the rising price of electricity. Hence his argument that the effect of the high capital spending on nuclear stations is coming home to roost.

But it is on the implication for future prices of electricity that his analysis focuses attention, if the proposed vast expansion with PWRs goes ahead. Mr Sweet is adamant that none of the available evidence substantiates the repeated allegation by the electricity industry, the Atomic Energy Authority and the Department of Energy that nuclear power is a cheap energy option.

He argues that the CEGB is doing itself and the consumer a disservice by concentrating on building a group of very large and very expensive nuclear stations. Mr Sweet says: "The matter of nuclear cost is not only unsubstantiated, it is one of the key propositions which must need to be proved at the public inquiry into plans for the first PWR at Sizewell, in Suffolk."

The Department of Energy estimate for the PWR programme is £15,000m. Mr Sweet's analysis produces an estimate of more than £35,000m, a sum which exceeds the investment in the programme.

'Pandora's box' in broadcast changes

By Kenneth Gosling

New broadcasting developments by satellites, cable, tapes and discs were bound to throw off balance traditions of control and regulation built up by countries over the years when opportunities for broadcasting were scarce, Lord Thomson of Monifieth, chairman of the Independent Broadcasting Authority, said yesterday. He made his comments to *The Times* after this week's debate on broadcasting.

The locks seemed to have been removed, Lord Thomson said, from a Pandora's box stuffed with problems for politicians and the public to resolve. But as well as satellites and cable, Lord Thomson pointed out that significant, unregulated broadcasting innovation was already here, and in a big way. Through video recording, on tape or disc, the public, he said, was now able still further to extend its freedom of choice.

Lord Thomson said he believed that many people would want to question whether the kind of uninhibited approach to broadcasting that exists in the United States had served the interests of the public as well as the British tradition of public service broadcasting built on the Reithian foundations of control and regulation in the service of broad social purposes.

"Might not therefore some consideration of social purposes in respect of these new technologies be valuable as a guide to the future?" he asked. On whether the state should accept a responsibility for these new services, Lord Thomson said that cable and satellites were likely to provide services that could be received unselectively, like the existing services. "They go into the family sitting-room available to children on touching the button. They are distinctly different from the act of choice in buying a video cassette or a theatre ticket."

If the present close degree of regulation became inappropriate and, in any case, impractical, Lord Thomson asked whether there were any half-way houses short of the total deregulation some people were advocating. He said he foresaw a further area of public concern as being over political balance, and wondered whether it would be said that the kind of balance imposed on British broadcasters was to be given up.

"Do we take it for granted that, with cable and satellite services privately owned, some kind of balance will emerge overall?" he said. "I can only register as a fact that the public control of broadcasting has preserved a healthier balance and done a great deal more to create an informed and sceptical democracy than the private ownership of the press."

Indian to appeal on language bar to benefit

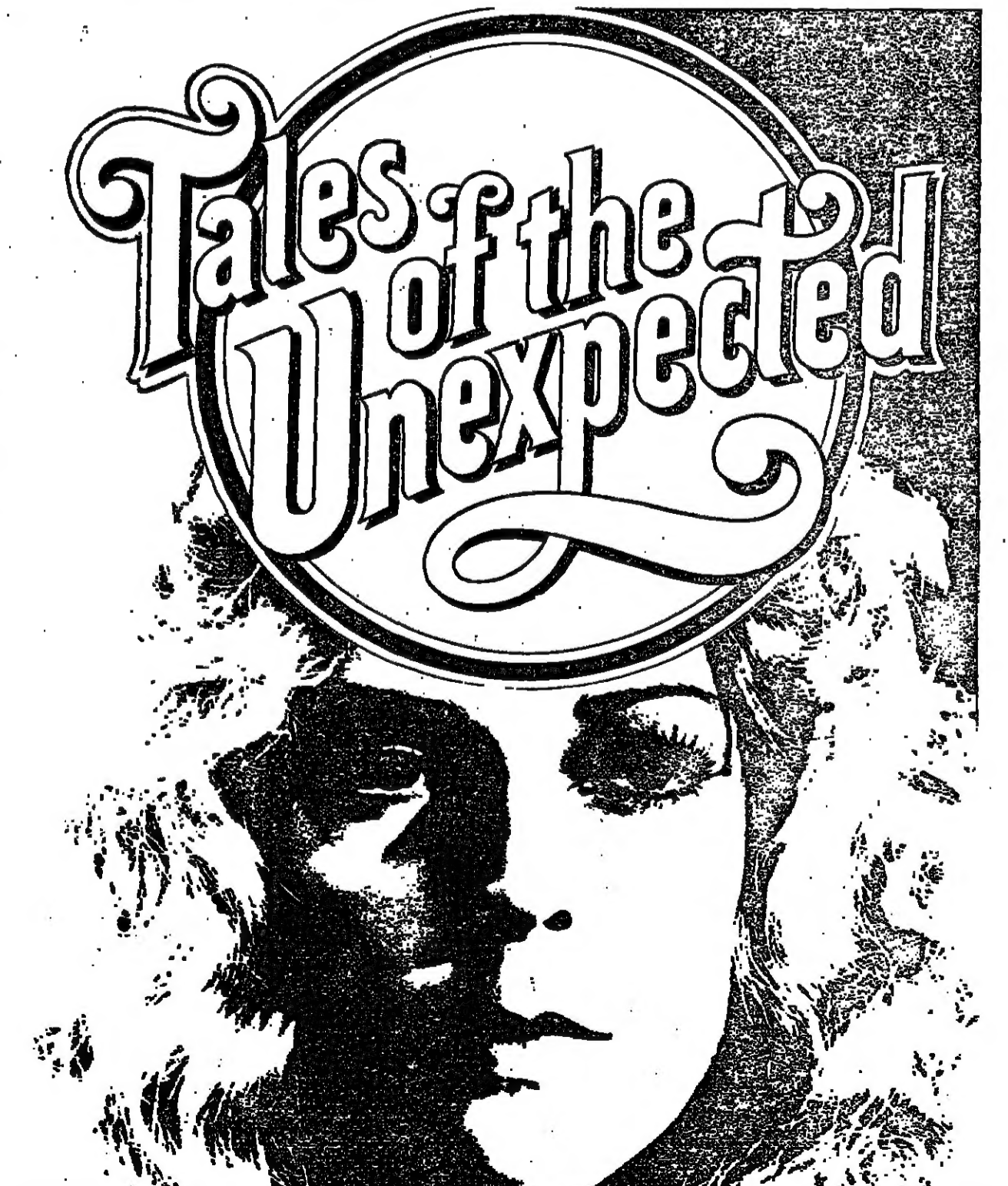
From our Correspondent Gloucester

An Indian woman who has been refused supplementary benefit because she cannot speak English is to appeal to the Social Security Commissioners in London. Mrs Parvathi Varachis, aged 48, who lives with her son in High Street, Tredworth, Gloucester, was refused benefit last year because social security officials said that by failing to learn the language she had disqualified herself from getting a job.

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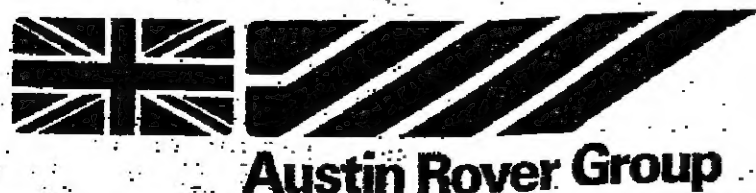
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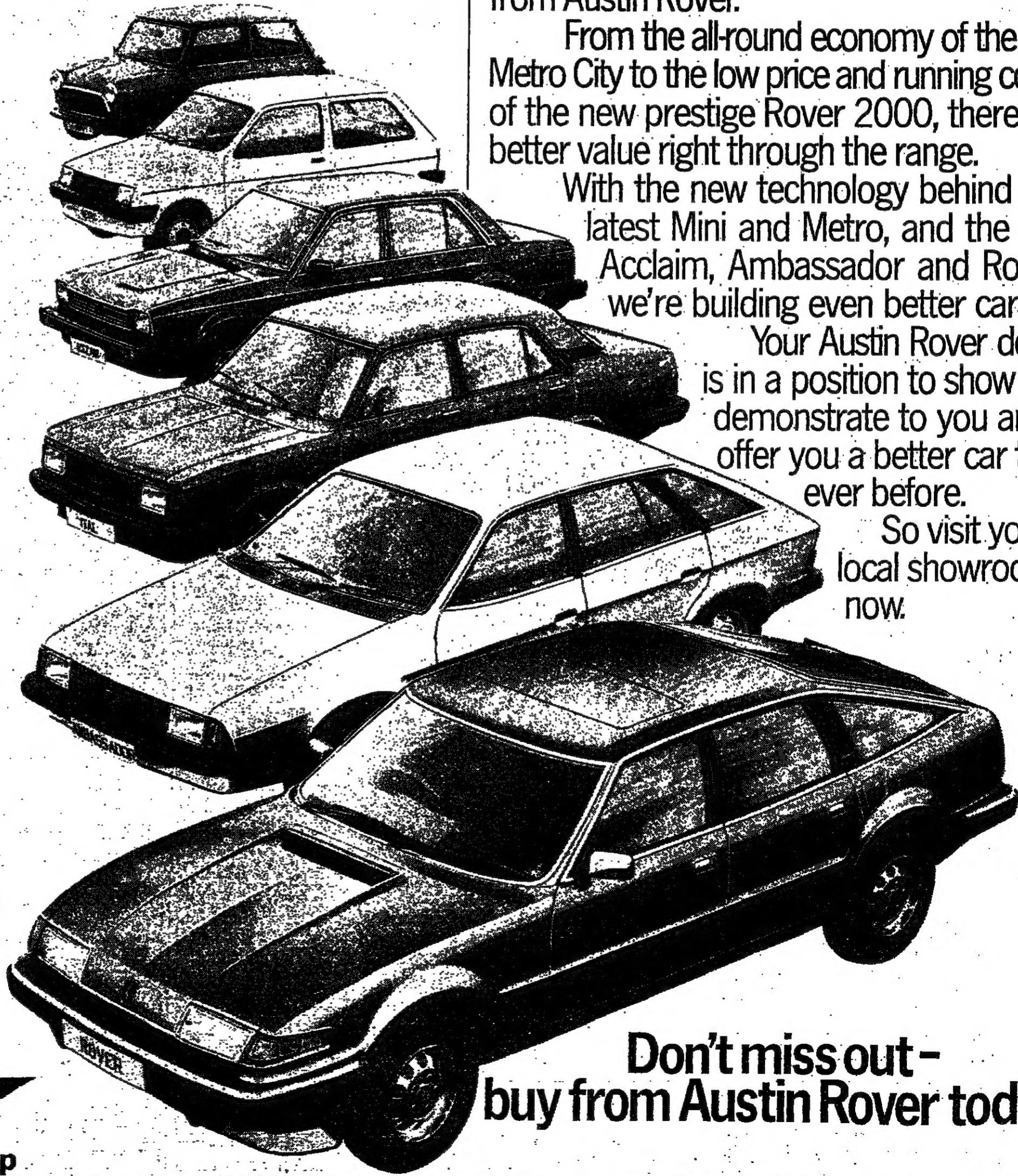
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Heffer thinks Labour will fight Euro-elections

From George Clark, Strasbourg

Mr Eric Heffer, Labour's spokesman on European affairs, who was in Strasbourg yesterday to meet members of the socialist group of the European Parliament, said he believed that although there was pressure from some sections of the party to boycott the next direct elections to the Strasbourg parliament, the party would decide to fight.

He agreed with Mrs Barbara Castle, leader of the Labour group of MEPs, that even with the election of a Labour government committed to taking Britain out of the EEC it would be an advantage to have Labour MEPs elected in June, 1982, to use the Strasbourg Parliament as a platform for explaining Labour's policy and trying to get the help of sister socialist parties in facilitating Britain's withdrawal.

Mr Heffer said he did not think there would be a change in the attitude of the trade unions to Labour's official policy on withdrawal, but at union conferences in summer there could be a move towards backing a referendum in advance of a final decision to get the electorate's views on the issue of continuing.

Mrs Castle thought the party would reject that. The election manifesto would be specific, and would in effect be a referendum in the issue. If there was another referendum all the resources of pro-European parties and big business would be thrown behind the campaign, for remaining in the EEC.

But a confidential document in the hands of members of the national executive committee, that through being committed to joining the EEC institutions, including the Parliament, British Labour Party may not get a subvention from European funds in running the European election campaign.

Prepared by the Labour Party research department for the NEC European Liaison Committee and the international and organization subcommittees, the document states: "In 1979 the party spent just under £200,000 on the campaign, a sum which was reimbursed from funds provided by the European Assembly to the socialist group and by them to the Confederation of EEC Socialist Parties.

"The fact that we are unlikely to be able to agree a framework manifesto with other members of the Confederation of Socialist Parties

Orchestra offers concerts for sale

By Christopher Warman Arts Correspondent

The London Philharmonic Orchestra, celebrating its fiftieth anniversary this year, is launching an ambitious campaign to attract sponsorship for its jubilee year in which they can buy the orchestra for a concert.

An advertising programme accompanying the project will link the concerts directly to the sponsors with such slogans as "Catch the 1812, courtesy of British Rail", "Pictures at an exhibition provided by Kodak", and "Pastoral Symphony presented by Cow and Gate".

The orchestra's new approach to sponsorship involves companies buying a "share" in its fiftieth anniversary season. It is seeking 10 companies prepared to pay a share of £30,000 each. For that there will be an LPO concert at the Festival Hall in their name, prominent advertising and publicity and 40 seats and a reception with members of the orchestra on the evening of the concert.

However, the sponsors will not be allowed to choose the programme. They will have the choice of the LPO's programme for the 1982-83 season, which has already been drawn up. But the orchestra does not rule out the possibility of special "clients" asking for particular works, and when it gives concerts sponsored by Mars Ltd in Slough later this year the LPO will by request include Holst's suite, *The Planets*, in the programme.



Mr Gerry Branch kissing the hand of the Queen Mother during her tour of Smithfield market.

Smithfield welcomes the Queen Mother

Queen Elizabeth the Queen Mother, who is an honorary member of the Butchers' Company, was greeted with kisses, flowers and Cockney humour when she visited Smithfield Market, in London yesterday.

As she arrived at the market she was greeted with the refrain, "Maybe it's because she's a Londoner", and she hardly stepped inside before a Mr Gerry Branch, a cutter, had planted two kisses on her hand.

"You look very lovely today", Mr Branch said "You met me in 1963, do you remember me." The Queen Mother looked bemused, so Mr

Branch added: "Of course I'm a lot better looking nowadays".

Later the Queen Mother could not fail to notice Mr Sean Burridge, aged 32, who was flag draped and wearing a red, white and blue hat. "You look very patriotic", she remarked.

The Queen Mother, dressed in pale blue, took up the challenge from Mr Ronald Wise, who reminded her that the Prince of Wales pushed a barrow when he visited the market two years ago. "I'll push one when I come back next year", she said.

Mr Jimmy Ellis and Mr Eddie Kanter had brought children,

helped by the Variety Club of Great Britain, to see the Queen Mother and it was they who started the singing. Others took up the refrain: "We'll be loving her, always", and as she left, more than half an hour later, the market workers burst into "Rule Britannia".

During her visit the Queen Mother was presented with 120lb of beef from a beast raised by Mr Dennis Cowe, an Aberdeenshire farmer.

The visit marked the centenary of the first shipment of New Zealand meat to Britain and the Queen Mother was also presented with two New Zealand lambs

Lords uphold police in cannabis case

The police were fully justified in prosecuting a youth for possessing minute traces of cannabis, the House of Lords ruled today. In a decision of importance to prosecuting authorities, five Law Lords unanimously allowed an appeal by Cambridge police against a Court of Appeal ruling that Peregrine Boyesen, aged 18, was not guilty of possessing the drug.

The Court of Appeal had quashed the Cambridge Crown Court conviction against Boyesen, a leather cutter, of Wetherby, Lincolnshire, on the grounds that the quantity of cannabis found on him could not be regarded as "usable".

The Court of Appeal judges criticized the prosecution as "offensive" and said it was wrong to bring the "whole machinery of the law" into play to prosecute a man who had only five milligrammes of cannabis resin. One milligram would cover a pinhead.

But Lord Scarman said yesterday that the "usability" test adopted by the Court of Appeal was incorrect in law.

The judge's criticism of the prosecuting authority and the trial judge, Judge Wild, was not justified, he said. The Chief Constable of Cambridge, who authorized the prosecution, was fully justified in doing so.

Lord Scarman said the prosecution had to show there was some recognizable quantity of the drug in the accused's possession. If not, there was no offence. "But the view that possession is only serious enough if the quantity is capable of being misused is a highly dubious one", he said.

Lord Wilberforce, Lord Fraser of Tullybelton, Lord Roskill and Lord Bridge of Harwich agreed in allowing the police appeal and restoring Boyesen's conviction by a jury.

Boyesen's lawyers said it was not known whether he would have to pay the £25 fine and £150 costs order made against him in the Crown Court.

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Doctor objects to drugs 'consent' law

By Lucy Hodges

Strong objections to the proposed legislation on mental health, which says that drugs should be given to patients only with their consent, came yesterday from Dr Edgar Udwin, medical director of Broadmoor, the special hospital for mentally abnormal offenders.

He told the Commons standing committee on the Mental Health (Amendment) Bill that the proposal that a second medical opinion should be given when a patient refused drugs could hinder the patient's treatment.

At Broadmoor that would mean bringing in an independent doctor to agree a course of treatment about twice a day where the patient did not consent. "It is my hope that Clause 41 will be amended to the point where it is possible to give one's patient at all times a tranquilizer or an aspirin", he said.

The anti-depressants and the tranquilizers bear the same relationship to psychiatry as the chemotherapeutic agents and the antibiotics do to physical medicine.

"It has been the experience of all of us that the resentment caused by the imposition of treatment at an early stage of mental illness is followed by assent and even gratitude when the treatment is successful, as it is in so many cases."

Dr Udwin said he agreed with the other safeguards in the Bill in consent to treatment for brain surgery, electric shocks and hormone therapy. But he thought strong pressure to do that for a long time. Sir Wilfred said the change would apply in late summer or early in the autumn.

Countryside remains popular

Suburban countryside had failed to divert family outings from remote beauty spots, Mr Adrian Phillips, director general of the Countryside Commission, said yesterday (our Environment Correspondent writes).

He was speaking at a London conference about research which showed that the attraction of the "urban fringe" had failed to protect more desirable countryside from tourist pressures.

The quarter of England's countryside which is considered "urban fringe" was seen in the early 1970s as a tourist conduit that would protect important conservation areas deep in the countryside from crowds of sightseers and picnic parties.

Mr Phillips said that surveys of countryside on the edge of London showed that it was being used as an alternative to city parks and not to remote rural areas. Very few families in the urban fringe had travelled more than three miles to it.

17,000 animals used in tests

Seventeen thousand animals were used in experiments at the Government's secret Chemical Defence Establishment at Porton Down, Wiltshire, last year. About a quarter died.

The total, which includes mice, rats, guinea pigs, dogs, sheep, rabbits, pigs, and marmosets, is lower than in previous years, reflecting more tissue culture experiments which do not involve living animals.

The figures were released before an animal rights demonstration at Porton Down by the British Union for the Abolition of Vivisection.

Winning pools stake stolen

A schoolgirl collector who stole football stake money was found out when a syndicate of women factory workers submitted a claim thinking they had won nearly £136,000, magistrates at Bridgend, Mid Glamorgan, heard yesterday.

Helen Williams, of Pencoed, Bridgend, a Girl Guide patrol leader, who at an earlier hearing admitted stealing the syndicate's £3.30 weekly, her own bank account six times, was fined £80 for theft and ordered to pay £20 costs and £19.80 compensation.

Widen lorry bans councils told

The Government has told local councils in a circular to do more to keep heavy lorries out of towns and villages by imposing more lorry bans, Mr David Howell, Secretary of State for Transport, said yesterday.

The circular comes at a time when the Government is preparing to announce its decision on a future maximum size of heavy lorries, widely expected that Mr Howell will come down in favour of a 40-ton limit, against the existing 32 tons.

Muggers injure woman aged 65

Mrs Irene Richardson, aged 65, was in hospital yesterday after two schoolboy muggers snatched her handbag containing £300 holiday money as she was walking home after a bingo session.

Richardson, of Oak Hill Farm, South of Oak Hill, York, suffered a broken hip when the youths pushed her to the ground and dragged her as she tried to hold on to the bag.

Fan aged 13 dies in bus stoning

Alexander Linton, aged 13, a football supporter, of Easterhouse, Glasgow, died on the top-deck of a bus on Wednesday night after a gang of youths hurled stones at the bus and hit him. Police yesterday launched a murder inquiry.

The incident happened at the junction of Hallhill Road and Edinburgh Road after the game between Celtic and Dundee United.

New location for murder trial

The trial of a man accused of three murders was adjourned at Leeds Crown Court yesterday so that it can be heard outside Yorkshire. Andrew Mark Watson, aged 26, a labourer, of Wakefield, Garforth, West Yorkshire, has pleaded not guilty to all three murder charges and not guilty to three charges of conspiracy to prevent the burial of three bodies.

Paul Anthony Hobson, aged 26, a yard foreman, of Wakefield, Road, Garforth, has pleaded guilty to the same charges. Sentence has been postponed until after Mr Watson's trial. The application for the trial to be switched from Leeds was made by Mr Watson's counsel.

Heritage trust fund dreads a big claim

By A Staff Reporter

The honeymoon period enjoyed by the National Heritage Trust's rescue of historic houses such as Canons Ashby and of endangered species such as the greater horseshoe bat, may about to end. Today, St George's Day, it is two years since Mr Norman St John-Stevens, then arts minister announced at a private party the birth of the National Heritage Memorial Fund.

Set up in the aftermath of the furore over Mountbatten, the home of Lord Rosebery, which the government refused to buy, the fund's purpose was to act as a safety net against the loss of works of art, stretches of land and other items of the national heritage.

So far its trustees, who include university professors, peers and a trade union leader, have been extremely successful.

But how long can it last? In the next 12 months there will be a question mark over some five outstanding estates, each of which could bring a claim of £3m on the fund's total capital of £15m.

Last week it was disclosed that North Yorkshire County Council wanted to sell the twelfth-century ruins of Fountains Abbey and its Fountains, Shrewsbury before the proposed sale of Haver Castle was announced and other owners are equally hard pressed. The fund is facing the possibility of Lord Scarsdale's Kedleston Hall, Lord Bradford's Weston Park and Lord Exeter's Burghley House coming on to the market.

"If these came up, the total could clean us out", Mr Brian Lang, the fund's secretary, said. "The Government is supposed to give help if there is a disproportionate claim for money, but that seems highly unlikely in the present circumstances."

"We are in a double bind. If we spend all our capital we can no longer operate as an emergency fund, yet if we do not, the Government can accuse us of not using our resources."

Lord Charteris of Amfield, the trustees' chairman, foresaw the problem in his first annual report. He wrote: "Our great fear is that we may be faced with a sudden decision to dispose of an entire house and its contents like Mentmore. Our resources could not cope with such a sale." The National Heritage was under going continual erosion, he said.

"The National Trusts cannot be expected to accept the burden of any more houses and we cannot be expected regularly to endow such houses as Canons Ashby."

He said the trustees were worried by continuing pressure on owners of important heritage items to dispose of them to meet tax demands or to cope with recession and provide for the future.

The trustees do not want the fund to exist solely for the big items. So far they have steered a skilful balance, earning criticism both for "frittering their money on small items" and for spending too much on national institutions, a sure sign of a middle course.



Spectacular success: Mr Bill Black, of South Shields, with some of the thousands of spectacles which he and members of the Harton Rotary Club have collected to send to Third World countries.

Merger for Whitehall waste unit

By David Nicholson-Lord

The unit investigating Whitehall efficiency under the direction of Sir Derek Rayner, the Prime Minister's adviser on eliminating waste, is to be merged with the newly created management department of the Civil Service, it was announced yesterday.

The Rayner unit, at present based in the Cabinet Office, is being integrated early next month into the Management and Personnel Office, which hived off the efficiency function when the Civil Service Department was disbanded last November.

The MPO then took over broad responsibility for personnel management and the Treasury for pay.

The move, which seems certain to be viewed as a potential blurring of the unit's cutting edge, will mean that Mr Clive Selley, its head, will report to Mr John Cassels, Second Permanent Secretary at the MPO, and not to Sir Derek Rayner, vice-chairman of Marks and Spencer, will continue to advise Mrs Margaret Thatcher on efficiency.

The change coincides with the announcement by the MPO of an "action plan" for the coming year in which it promises a joint initiative with the Treasury to improve financial management in the Civil Service, and a special review of staff selection and training.

Emphasis will be put on broadening the experience of potential "high fliers" and securing more job interchange with industry and the private sector; the latter is an aim that has proved noticeably difficult to achieve.

Lady Young, Lord Privy Seal, the minister in charge of the MPO, said yesterday that for the Rayner approach to continue it must become a permanent and accepted part of Civil Service work. Integrating the Rayner unit within the MPO would help to achieve that.

Tapping rules queried

By Peter Evans, Home Affairs Correspondent

Mr William Whitelaw, the Home Secretary, was accused yesterday by the National Council for Civil Liberties (NCCCL) of "slipping over" an important change in the law on telephone tapping through a written answer to a parliamentary question.

The Home Office said last night that the change, which extends the types of crime for which interception of telephone calls or mail are allowable, was already in operation.

Interception is permissible for crimes classed as "really serious", although it may

Therapist jobs unfilled

By Jeanette Mitchell

The health and social services are so short of occupational therapists that half of the posts are vacant, the British Association of Occupational Therapists says.

Britain's 3,000 occupational therapists help people who have been in hospital, particularly the elderly, to lead a normal life again. With the elderly population increasing at the rate of 2 per cent a year and government policy centred on community rather than residential care, occupational therapists are considered to have an increasingly important role.

Air Vice-Marshal David Dick, secretary of the association, said yesterday: "Some consultants are no longer referring patients for therapy because the waiting lists are so long."

The shortage, because of a lack of trained staff, has been made worse, the association says, by government cuts in grants to occupational therapy students.

Last year 34 of 551 places in training schools were not filled because of a reduction in the number of grants given by the Department of Health and Social Security. This year the association fears that fewer places will be available.

Restraint plea by Arafat after Israeli air raids

From Robert Fisk, Beirut, April 22

Mr Yasser Arafat, the Palestine Liberation Organisation chairman, has persuaded most of the extremist Palestinian leaders in Beirut not to respond to yesterday's Israeli bombing raid on Lebanon by restarting the conflict in southern Lebanon.

But the Palestinian-Israeli ceasefire — as arranged in a truce after the 1970-71 war — remains both weak and dangerous, with at least one PLO faction claiming that it no longer exists.

Mr Arafat's efforts came after an indirect message from the American Government — reportedly to have been conveyed to him by a Saudi diplomat and Mr Chirif Wazzan, the Lebanese Prime Minister — warning him that any Palestinian attacks on the Kibbutzim of Northern Galilee would provide an excuse for the Israelis to stage a full-scale invasion of Lebanon.

It was primarily for this reason that the PLO responded to the Israeli raid by claiming that it would "retaliate where and when it sees fit" — a formula that clearly implies a Palestinian attack against Israel from Jordan or from inside the West Bank.

The PLO's more intransigent factions did their best to cloak their restraint with devious words, but they found it difficult to conceal their intention of maintaining a truce — unilaterally, if necessary — in southern Lebanon.

The popular Front for the Liberation of Palestine General Command, for instance, announced that it is "going to strike against Israel from inside Israel and from outside Israel, and not necessarily from southern Lebanon."

This does not mean, however, that every PLO group will obey Mr Arafat's instructions. The pro-Moscow Democratic Front for the Liberation of Palestine has developed the habit of claiming responsibility for attacks on Israelis in the West Bank and Gaza. One more such claim in the next few days could be used by Israel as a pretext for further air attacks upon Lebanon.

In Southern Lebanon, officers of the PLO's Fatah guerrilla movement promised to follow Mr Arafat's order, claiming that the Israelis were trying to appease the Jewish settlers' refusal to leave the Sinai town of Yamit.

However, Israeli aircraft could be seen all day in the skies of southern Lebanon, watched by Palestinian anti-aircraft gunners on the coastal highway around Tyre. During the morning, Israeli jets made their regular photo-reconnaissance run over Beirut, drawing the usual fire from the Palestinian camps.

The PLO permitted journalists to enter their base at Mazbouh, 19 miles from Beirut, which was one of yesterday's bombing targets. Three heavy artillery pieces, several Katyusha rocket launchers and a number of cars had been destroyed in the raid. The Lebanese authorities now put the number of dead at 23.

In Damascus today, the Syrian government denounced yesterday's raids as "a barbaric attack" and Syrian state radio asserted that Syria would "confront any new Israeli move in Lebanon".

In the familiar rhetoric it uses on such occasions, the broadcast claimed that "Arab skies will not be open for enemy arrogance irrespective of costs, sacrifices or whatever it takes".

This was scarcely proved yesterday when two Syrian jets were shot down over the Bekaa Valley by Israeli aircraft. The machines — both Mig 23s — were destroyed, though the pilots baled out by parachute, landing rather inconveniently in territory controlled by the right-wing Phalangist movement, who bear no love for Syria.

But the Phalangist leader, Mr Bashir Gemayel, handed them over to the Lebanese authorities in Beirut last night with much pomp and publicity. It was the first time that the Syrians had put their Mig 23 fighter aircraft into combat over Lebanon. Previously they have confronted the Israelis, though only with veteran Mig 21 jets.



'World doctor' awarded Onassis prize

From Mario Modiano, Athens, April 22

Dr Bernard Kouchner, the French physician who founded Doctors of the World, a society of volunteers who offered medical relief in distressed areas, and Professor Manolis Andronikos, the Greek archaeologist who discovered the royal tombs of Macedonia at Vergina, today received the Alexander Onassis prize for 1981 presented by President Karamanlis.

The prizes carry a cash award of \$100,000 (£55,000). Dr Kouchner, who received the Athenian prize for promoting "the rapprochement of peoples and upholding the dignity of man," said the money would go, symbolically, to El Salvador and Afghanistan.

Doctors of the World consists of volunteers, nurses and physicians who devote a few months of their lives to work without pay in places hit by disasters. They have worked in South-East Asia, Central America, Africa, Afghanistan and Poland.

Dr Kouchner said: "For us oppression of the right and of the left is identical." Professor Andronikos received the Olympia prize awarded for contributions to the safeguarding of man's cultural heritage.

Ecevit men face death on plotting charges

From Rasit Gurdilek, Ankara, April 22

Two former deputies from Mr Bülent Ecevit's former Republican People's Party appeared in a military court in Erzurum, eastern Turkey, today on capital charges of forcefully attempting to overthrow the constitutional order.

Mr Ertuğrul Günsay and Mr Temel Ates, were detained in 1980 on charges of assisting the underground "Dev-Yol" (Revolutionary Path) organization in building up "liberated zones" in their constituency. They were released after 14 months in detention only to be re-arrested recently at the request of the Erzurum court.

Mr Ecevit himself, detained earlier in the month over an alleged statement to a Norwegian newspaper, remains in custody here. Mr Mustafa Ustundag, the former secretary-general of the party, and a number of leading party deputies are undergoing investigation.

So far, of the original 587 leaders, militants and sympathisers of the extreme right-wing Nationalist Action Party indicted at the current mass trial of the rightists, 187 have been released. Mr Ecevit is also the subject of an investigation, along with 132 of his former deputies, over alleged support to the Marxist-oriented Progressive Trade Unions Confederation (Disk).

Brezhnev reappears in public looking fit

From Michael Binyon, Moscow, April 22

President Brezhnev reappeared in public today after an absence of almost a month, looking reasonably fit and showing no obvious signs of fatigue. Together with other Politburo members, he took part in a televised Kremlin ceremony commemorating the 112th anniversary of Lenin's birth.

The Soviet leader dropped out of public view on March 26, after a tiring trip to Central Asia, and Soviet sources suggested he was taken to hospital in Moscow suffering from exhaustion immediately after he returned from Tashkent.

As speculation on the state of his health mounted, no official word was given, although a Foreign Ministry official said that Mr Brezhnev was taking a routine winter holiday.

During his absence, a stream of official telegrams and decrees continued to be issued in his name, and last week the Soviet leader replied to President Reagan's suggestion of a summit meeting in New York in June with a proposal for a summit in October.

His proposal, suggesting the Soviet leader has no intention of retiring in the summer as has been rumoured, was read out on television in advance of publication. It was a quick rumour circulating here last weekend that he was seriously ill or even dead.

Mr Brezhnev did not speak during the Kremlin meeting, and Soviet television, adept at turning its cameras away so as not to show any slowness of difficulty in his movements, did not show the Soviet leader rising or sitting down after the national anthem. But he appeared relaxed and attentive.

Mr Konstantin Chernenko, a Brezhnev aide who has risen swiftly in recent months, sat beside Mr Brezhnev, indicating he is now considered second in the Politburo hierarchy.

Mr Andrei Kirilenko, aged 75, the longest-serving member of the Politburo apart from Mr Brezhnev, who has not taken part in party functions for two months, was again absent today. Mr Yuri Andropov, the head of the KGB security police, delivered the keynote speech at the rally.

In recent months Soviet officials have indicated growing irritation with the state of rumours that now sweep Moscow with monotonous regularity as to the state of Mr Brezhnev's health. It is a matter on which they refuse to comment, and a Western diplomat, who asked about Mr Brezhnev's health at a meeting in the Soviet Foreign Ministry recently, was met with an icy silence.

Most rumours start in the West and those of Mr Brezhnev's demise appear to begin in Western stock exchanges.

Moro trial threat to 'tell truth'

From Peter Nichols, Rome, April 22

Terrorist suspects on trial in Rome on charges of the kidnapping and murder of Signor Aldo Moro, the Christian Democrat leader, four years ago, today threatened the court that they might actually tell the truth.

The unchallenged leader of the 63 defendants, Mario Moretti, told reporters from his cage in the improvised courtroom: "Write that we have a lot to say about Moro and we shall say it at the right moment".

This was the third day of hearings in the case which is concerned also with some 12 other murders. Signor Moretti, who is accused of having interrogated Signor Moro and then to have given the order to shoot him, insisted today that the defendants wanted to determine themselves in which case they were to sit while following proceedings.

The court had laid down that the defendants should be subdivided according to sex and political connotation within the Red Brigades movement, from advocates of armed action to members of the more political wing of the movement, and those who had agreed to give evidence to the investigators.

The defendants accused the court of wanting to keep them out of the proceedings. Signor Moretti said that the court, on the orders of the Government, "is doing all it can not to have us here. He went on: 'But we want to be present because we have a lot to say. This is the reason why the judges want to have the trial without us'."

Having made their protest, the defendants abandoned proceedings, but not without a threat to the press: "Be careful what you write because we are tired of jokes."

Poles show hope in face of woe

From Roger Boyes, Warsaw, April 22

Senior Polish officials today delivered a comprehensive account of the country's economic woes in speeches that were distinguished for their faith, hope and charity, the greatest of these being hope. Mr Janusz Obodowski, Deputy Prime Minister in charge of the economy, said that Poland wanted to pay back its debts to the West but needed short-term credits to do so.

Mr Obodowski was speaking at the start of a two-day meeting of the plenary session of the Communist Party's central committee. He said that industrial production lagged far behind that of last year but a slight improvement was being registered from month-to-month.

The number of employed had dropped by 5 per cent in the first quarter of the year but productivity had increased by 6 per cent. Hope tinged with resentment was the keynote. Economic reform — giving enterprises more initiative — would consolidate the gradual improvements, but the recovery would take much longer than expected because of financial and trade sanctions against Poland by the West. Mr Marian Wozniak, an alternative Politburo member, estimated that it could be as much as two years more. If the West wanted the Poland to sort out its debts it had to help.

Meanwhile it is understood that the Senate of Warsaw University has now approved four deputy rectors. Professor Franciszek Grucza, Professor Bartoszewicz, Professor Kaluzynski, all linguists, and Professor Szaflik, Dean of History, will be officially nominated on April 27. Students are planning a protest against the appointments of the regime-oriented professors.



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Church and state: Mgr Bonamin, Armed Forces chaplain, leaving Buenos Aires with President Galtieri

Galtieri waves the flag in Stanley

President Leopoldo Galtieri of Argentina flew to the Falkland Islands today to review preparations for a British blockade or counter-attack. Already a huge stockpile of ammunition and food appears to have been built up.

Standing smiling before the television cameras, he said: "I am convinced that the blue and white flag of Argentina will never come down from the Malvinas. We really want a peaceful settlement."

"We have warm hearts but what is needed now is cool heads. The British may defeat us; but they cannot break our spirits. Our material things may be destroyed but our spirits cannot be broken."

Above him hung the Argentine flag in the capital, Port Stanley, which has been renamed yet again Puerto Argentino.

From Christopher Thomas, Buenos Aires, April 22

Puerto Rivera after local historical hero and name of Stanley. But official decree No 757 seems to have settled the matter. The Government said the English name was "foreign to the tradition and history of our nation."

General Galtieri did a swift tour and judging from the television pictures he did not have much to say to any of the town's 1,100 residents. He then began the two-hour flight back to Argentina to inspect military preparations at the southern ports of Rio Gallegos and Comodoro Rivadavia.

The official news agency Telam said General Galtieri visited the Falklands in his dual capacity as head of state and Commander-in-Chief of the Army. Despite being confronted by crowds of reporters when he left the airport at Buenos Aires he maintained the almost total public silence he has adopted in the past week.

Earlier this week the islands were visited by the other two members of the ruling junta, Brigadier-General Basilio Lami Dozo and Admiral Jorge Isaac Anaya. Chief of the Air Force and the Navy.

Government sources confirmed today that Señor Costa Mendez, the Foreign Minister, will fly to Washington on Saturday and will be present at the opening of a debate by the Organization of American States on the Falklands crisis on Monday.

There was no indication whom Señor Costa Mendez, regarded as one of the least influential members of the Cabinet, intended to meet during his stay.

Argentine newspapers today carried a picture of the aircraft carrier 25 de Mayo which is said to be "cruising

the South Atlantic towards the Malvinas grounds"; but there was no reliable indication tonight that the Navy was preparing to enter the 200 mile British military exclusion zone around the Falklands.

One cargo vessel ferrying supplies to the 9,000 occupation forces had broken the blockade and arrived at Port Stanley. There were suggestions tonight that Comodoro Rivadavia which served as the bridgehead for the Falklands invasion would soon be formally declared a "theatre of war".

That would mean that Rear-Admiral Juan José Lombardo, Commander of the Southern Atlantic Operations, would become military commander of the city.

Kewinnesses say that nine Hurcules 3130 are making between five and six trips daily between the city and the islands.

Water supply Rationing to cope with extra use

By Our Foreign Staff

Water is being rationed in the Falklands, according to the latest group of people allowed to leave the islands.

In the past, Port Stanley, where more than half the population lives in normal times, had a more than adequate supply. Water surplus to requirements was sold to vessels such as those of the big Polish fishing fleet operating in the South Atlantic.

That there was plenty of water for the local people in the capital was shown by the amount lost through holes in the pipes. The Falkland Islands Government, had, however, been considering spending more money on the system.

That was before thousands of Argentine troops arrived on Port Stanley. Even with the departure of many people from the Camp, as the outlying areas are known, supplies in Port Stanley are clearly insufficient to meet the needs of the invading forces.

Water for Port Stanley is treated at a filtration plant at Moody Brook. Natural springs are the source of water piped into the farms.

The most recent reports of the Falkland Islands Government on water supplies have not been released. The Economic Survey of the Falklands under the chairmanship of Lord Shackleton, which published a report in 1976, said that there was ample water for Port Stanley's existing population needs and industrial demands.

The filtration plant could conceivably deal with a doubling of demand, the Shackleton report said. One implication is that Port Stanley's service could cope with as many as 2,000 people. It is believed in some quarters, however, that comments on water supplies in the Shackleton and other assessments of the 1970s are out of date. Water in the Falklands is now being treated as a subject militarily sensitive that Whitehall will not comment on the situation. The Argentine troops have been asking the islanders for water and food.

Contrary to their image, the Falklands are not particularly wet. Average rainfall in Port Stanley is about 26in but is down to 15in in West Falkland. The recent summer has been dry by local standards.

The last official British Government report on the Falklands, published in 1976, said: "For Stanley, water is supplied from the 6,000 gallons per hour capacity filtration plant at Moody Brook to a reservoir and a high level tank with a combined capacity of 500,000 gallons."

Strasbourg vote for withdrawal

From George Clark, Strasbourg, April 22

With representatives of the Falkland Islands watching from the diplomats' gallery, the European Parliament today approved by 203 votes to 28 a resolution condemning the Argentine invasion of the islands and backing the United Nations demand for the withdrawal of all Argentine forces.

It praised the quick action taken by the ten EEC member states to impose an embargo on imports from Argentina and recommended the Council of Ministers to review the possibility of taking further measures.

The dispute between the British Conservative and Labour MEPs over a clause referring to the prerequisites for a peaceful settlement was partly resolved after the Parliament had rejected a form of words

Reporters may be freed soon

Ushuaia, April 22. — Three British journalists held in Ushuaia on charges of spying against Argentina are expected to be freed "benefit of the doubt" and released soon, police sources said here today.

The three, Mr Simon Winchester, of *The Sunday Times*, and Mr Ian Mather, of *The Observer*, spoke to members of the Argentine press inside their Ushuaia jail today after appearing before a civil judge.

Judge Carlos Sagatume apparently concluded that the three men were likely "to be freed very soon, perhaps on Friday."

Mr Winchester told Argentine colleagues that the three Britons were "absolutely innocent." He added that they had been "very kind" while Mr Mather said that the judge had been "very kind" although there had been "stressful periods of isolation, especially during legal procedures." The cells were small, but otherwise the treatment and food were good.

Mr Winchester said the three had been held in a variety of places before being brought to Ushuaia, but "everyone has been correct and kind to us." He added: "This is something of a sideshow. We would like to get back to covering the main story."

Argentine reporters said the three were "in good condition physically and in good spirits." AFP and AP.

Pro-British mood grows on Capitol Hill

From Nicholas Ashford, Washington, April 22

Pressure is rapidly building up on Capitol Hill for the United States openly to side with Britain in its dispute with Argentina over the Falkland Islands.

Senator Daniel Patrick Moynihan, the influential Democrat from New York and former United States representative at the United Nations, yesterday introduced a Senate resolution calling for President Reagan to join European countries in imposing economic sanctions on Argentina.

Using exceptionally tough language Senator Moynihan declared that the United States could not remain neutral "between an ally without equivalent in the world and a hostile, neo-fascist and antisemitic military regime."

He added that American policy of mediation had failed and was "bound to fail" because the United States had tried to interpose itself between an aggressor and a victim of aggression.

Later in the afternoon Senator Alan Cranston from California, assistant Senate minority leader, gave warning that the Falklands crisis highlighted the danger of Argentina acquiring nuclear weapons.

"An isolated country ruled by generals and admirals, which has already shown its contempt for international norms by occupying territory in violation of the United Nations charter, might well choose to exploit its carefully maintained nuclear option if pushed to the wall," he told the Senate.

Their action comes after another resolution introduced earlier this week by Senator Larry Pressler, a Republican from South Dakota, calling on the United States to condemn the invasion of the Falklands, urge

Invincible clears decks for battle

From John Withrow on board HMS Invincible, Southern Atlantic, April 22

The crew of the 19,500-ton carrier *Invincible* is heightening its readiness for war. From tomorrow the entire crew goes on a rota of defence watches, and peace-time routines are more or less abandoned. This State Two, as it is called, means half the ship's crew will be at stations and the rest off-duty.

Preparations for conflict will be further refined with the harsh klaxon-calling the crew to action stations. Crew are to wear overalls or combat clothing even when asleep, although they can take off their shoes.

They also have to carry their lifejackets, respirators, protective suits and anti-flash clothing to prevent burns. Nylon clothing, which can melt against the skin in a flash fire, is forbidden.

Those working on the flight deck or in exposed places will also wear helmets.

While the *Invincible* re-sounds to the scream of Harrier jets and Sea King helicopters, the carrier is being stripped to its bare essentials to keep damage to a minimum in the event of conflict.

Cushions, pictures, mirrors and posters have been removed from cabins and wardrooms and every loose item has been stowed away.

"Remember that which action can turn unsecured articles into lethal missiles," a notice warns. These instructions also abound with such understatements as "rapid flooding can be an extremely serious situation."

The lights are no longer dimmed in the officers' wardroom in the evening and many appear still dressed in flying overalls and navy blue battle dress. Glass cabinets have been covered in brown paper and bottles, presenting an image more akin to the Falls Road of Belfast.

A programme was broadcast on the ships closed-circuit television this evening in which the crew were shown life-raft drill, survival in the freezing waters of the South Atlantic, and the rights of prisoners of war under the Geneva Convention. Extracts from the article of war were read to remind crew of their duties and the penalties for not fulfilling them during action.

Despite the underlying seriousness of the orders, there is still a note of levity. Details of prayers are described as kneeling orders under State Two. One of the instructions states: "Time in the showers should be limited to two minutes and the time undressed should be kept to the barest minimum."

It adds, however, that all undressing and dressing will take place on the bathrooms at a date yet to be decided.

All these preparations for war, with their emphasis on being ready for the worst eventualities, have led to a change in mood. Hopes of a negotiated settlement have faded and with them the optimism that the crisis can be settled peacefully.

Bond issue indicates increasing pressure

By Peter Wilson-Smith, Banking Correspondent

Argentina is to pay some of its foreign debts with a special issue of government bonds. A presidential decree, issued on Wednesday in Buenos Aires said that a \$1,000m (£561m) bond issue would be used to cover debts arising from profit remittances, royalties and technical assistance.

The move is a further sign of the growing economic pressure on Argentina and the shortage of foreign currency in the country. Restrictions on foreign currency were introduced recently because of the Falklands crisis. Purchases can be made only for imports or for repaying interest on external loans.

Dr Roberto Alemann, the Economy Minister, was quoted by the official Telam news agency as saying the bond issue was a temporary arrangement which had been used by Argentina before. The Argentine Government issued dollar denominated bonds for similar purposes in 1975 and 1976 when there were foreign exchange shortages.

Although Argentina has made strong efforts to continue to meet its financial obligations and has been making payments on loans to Western banks except for British ones, there are signs in London of payments falling behind.

Some payments are coming through as much as seven days late, according to one London banking source. There are also moves afoot by British banks, such as Lloyds Bank, to recover a pro-rata share of the interest payments on syndicated loans as they are entitled to under the loan agreement.

The London insurance market, has issued further instructions to its members not to extend or renew or accept any insurance business with Argentine interests, Mr Peter Green, chairman of Lloyd's speaking in Sydney, also advised members to cancel in possible all policies held by interests in Argentina.

CIA deputy director resigns

Washington. Admiral Robert Inman is to resign as deputy director of the Central Intelligence Agency, the White House announced. He is expected to leave in the middle of the year and to enter private business (Nicholas Ashford writes).

Admiral Inman, one of America's foremost intelligence experts, is the first senior national security official to resign voluntarily from the Reagan Administration for reasons which are partly related to policy disagreements. He was frequently at loggerheads with Mr William Casey, the CIA director, and with staff members of the National Security Council.

China restores presidency

Peking. — China announced it planned to reintroduce the post of state President, more than a decade after Liu Shaoqi, the last incumbent, died in prison during the Maoist Cultural Revolution. It was one of the main changes in a revised draft constitution submitted to the Standing Committee of the National People's Congress, China's Parliament.

The other major innovation in the text was the establishment of a Central Military Council to lead the country's armed forces.

Mauroy in talks with Trudeau

Ottawa. — Mr Pierre Mauroy, the French Prime Minister, arrived here for two days of talks with Mr Pierre Trudeau, the Prime Minister which are expected to centre on Franco-Canadian trade relationships and industrial cooperation.

The two countries' maritime boundary dispute, involving the French islands of St Pierre and Miquelon, on Canada's east coast, was also scheduled to be discussed although no breakthrough appeared in sight. Mr Mauroy is on a five-day Canadian visit and goes on to Toronto.

Arab university reopened

Tel Aviv. — Bir Zeit University near Jerusalem, the largest Arab institution of higher learning in Israeli-occupied territory, resumed classes this week after a two-week suspension by the Israeli military government (Moshe Brilman writes).

The closure of the school, regarded by Israelis as a hub of radical Palestinian nationalism, was the second in the current academic year. Classes were held for only six weeks between the start of the latest suspension and the end of the previous one.

Gambian leader dies in crash

Banjul. — Mr A. B. Njie, the former Gambian Vice-President, was killed and President Sir Dawda Jawara was slightly injured when a helicopter carrying them on an official working visit crashed at Brikama, about 200 miles east of here, according to a well-informed source.

The source said that the President suffered bruises but had been allowed home from hospital (Godfrey Morrison writes).

Cheaper by air — if you're Irish

British Euro MPs who pay £197 to fly from London to Strasbourg and back have been irritated to learn that their Irish colleagues pay only £143 return from Dublin on the same aircraft, the so-called "champagne special" provided by the Mayor of Strasbourg.

Britons who thought they could solve the problem by booking a return to Dublin and getting off in London unfortunately discovered that their luggage would continue on to the Irish capital.

Volcanic cloud over Pacific

San Francisco. — A vast cloud of volcanic debris, which could affect weather conditions, has been detected by American reconnaissance aircraft over the Pacific and Indian oceans.

Scientists say that the cloud, stretching from Mexico to Saudi Arabia, was caused by the eruption on March 29 of the Mexican volcano Chichón.

All systems go

Delhi. — Space Scientists successfully freed the jammed C-band antenna of India's domestic operational Insat-1A satellite. It had been feared that the jamming would jeopardise the working life of the satellite.

Lawyer cleared

San Francisco. — Mr Lee Bailey, the defence lawyer, whose clients included Patricia Hearst, the kidnapped heiress, scored one of his biggest court victories here. He was acquitted of drunken driving after a two-week trial.

Islanders fear being caught in crossfire

By David Hewson

Falkland Islanders are growing increasingly worried that they will find themselves in the middle of a military confrontation, sources among exiled islanders said last night.

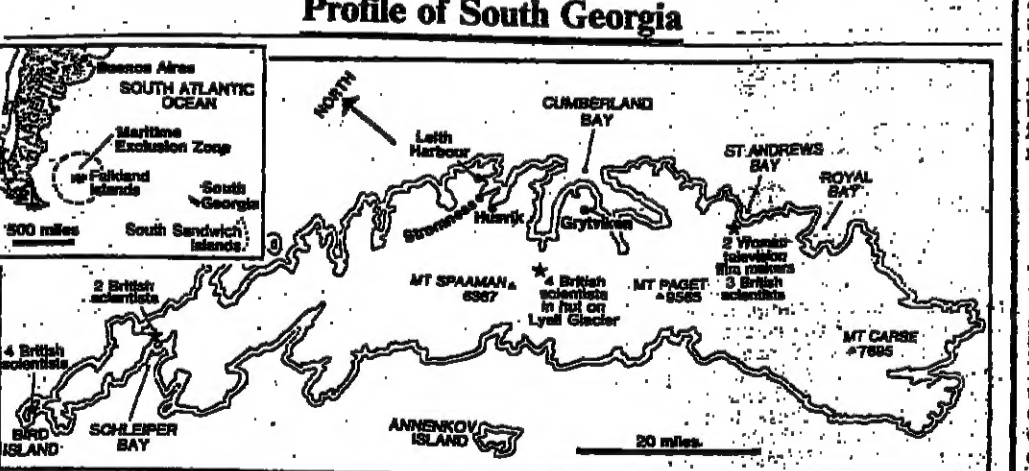
A group of 30 islanders arrived at Gatwick airport yesterday after leaving the Falklands on Tuesday. They included Angus Macaskill, aged 12, whose parents have sent him to stay with relatives in Britain for the duration of the crisis while they remain in the Falklands.

Also in the party were Mr William Ford, aged 64, and his wife Dolly, aged 62, who have never left the Falklands in their lives. Mr Ford worked as a butcher in Port Stanley and both he and his wife are well known in the Falklands community.

Their daughter Mrs Jill Henrickson, who now lives in Oban, said yesterday that she had never expected them to leave the islands. "But we just do not know what they have had to deal with. All we have had from them since the invasion are two short letters."

Mrs Henrickson and her husband Robin, who is also from the Falklands, met Mr and Mrs Ford at the airport. Mr Henrickson confirmed that many islanders were worried about the island's water supply, which is now being rationed. "It has never been over-adequate. This extra influx of people must be putting too much of a strain on it."

Mr Rex Hunt, the exiled Falklands governor, met the party at Gatwick and was greeted warmly by the islanders.



Holiday resort for the birds

By Pearce Wright, Science Editor

The island of South Georgia has been well-used for more than a century and a half; first by whalers and seal fur traders, and more recently by scientists. It has been used one of the main Antarctic research centres there, and by crews of Soviet and other fishing vessels who take on fresh water supplies at Grytviken.

Just over two years ago a task force of 15 Royal Engineers completed reconstruction of the jetty at Grytviken for the benefit largely of the British Antarctic Survey vessels.

Scientists who have worked a summer season at one of the field stations on the island, which is about 120 miles long and 25 miles wide, describe it in terms more suited to a holiday resort. For it has many pristine sandy beaches and the glaciated mountain range in the centre of the island has peaks up to 10,000 ft rising from the surrounding plateau.

But conditions in winter are severe, and as the colder weather develops the team of 13 scientists and two women television film-makers still on the island are probably experiencing far from comfortable surroundings.

The annual records suggest that temperatures will already be dropping to below -35°C for much of the 24 hours. Snow will almost certainly be falling. Winds

will be gusting at up to 70 knots on blustery days and at about 20 knots as a matter of routine.

In normal circumstances most of the scientists and film-makers would have left the island at the end of the summer season. Two groups would have been left manning the two permanent stations, one at Grytviken and the other recently converted from a temporary summer station to a full-time one at Bird Island.

These two sites are fully equipped for winter living. But only Bird Island is occupied by a group of four scientists, who were at work when the Argentinians invaded. Three of those at Grytviken joined the film-makers at St Andrews Bay, four others moved to a small shelter called Lyle Hut, which is a building 8 ft square, and the remaining two stayed at their field station in Schieffer Bay.

Although there is apparently no shortage of food or fuel at any of these places, an official at the Cambridge headquarters of the British Antarctic Survey said yesterday that the position must be one of acute discomfort for those in the summer field stations.

Research at South Georgia divides between the biological sciences, atmospheric sciences and geophysics, and oceanography. Work on Bird Island has been increased recently

all systems go

by an electric spark from a fallen power line.

March, 1981.

100



100

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EEC farm prices accord paves way for budget

From Ian Murray, Luxembourg, April 22

A record increase in earnings for Europe's eight million farmers has all but been agreed by EEC agriculture ministers meeting here. What still stands in the way of a final settlement is the question of how much Britain should pay into the Community budget, and this is next due to be discussed by foreign ministers meeting here next Tuesday.

Given the facts that Britain will not agree a package until the budget issue is settled, the agriculture ministers today suspended their meeting provisionally until next Wednesday to await the outcome of these parallel negotiations.

It is already clear, however, that Britain has abandoned its hard-line position on a number of agricultural issues and this may well make it easier for it to achieve a budget deal that would be satisfactory.

During the past three days of the meeting the question of prices has not even been discussed in the open sessions. Nevertheless, Mr Paul de Keersmaecker, the Belgian President of the Council, made soundings among all the delegations. He was able to report afterwards that "with some minor changes" Commission proposals for increases averaging 10.5 per cent were universally acceptable.

This would be the highest single price rise ever agreed for the EEC's farmers. It is



Mr Buchanan-Smith: Soft line from Britain.

significantly above the 5 to 6 per cent increase the British Government had privately hoped could be agreed and it calls into question the idea Britain so strongly backed of creating a prudent price policy for agriculture.

Commission estimates given to delegations at the meeting show that their proposals would add about £37m to agricultural spending. Mr Alick Buchanan-Smith, Minister of State for Agriculture, handling the negotiations, backed Herr Josef Ertl, the West German Minister, in questioning the commission intensely on this point.

"We think their assumptions in many cases are far too optimistic," Mr Buchanan-Smith said afterwards. British experts are to

spend the time until the next meeting investigating just how realistic the commission estimates are. Even so, Britain has accepted assurances from the Commission that spending can still be contained within the community's own resources, up to the per cent value-added tax ceiling.

Nor did he disagree with the Belgian Minister's view that a solution was in sight to the vexed problem of helping small dairy farmers.

Mr Buchanan-Smith said everybody now accepted that something had to be done for these small farmers and what was needed was agreement on how best that help should be given. This is in marked contrast to the outright refusal by Britain earlier this year to accept any scheme which would encourage small farmers to add to the milk surplus.

The other outstanding problems identified by Mr de Keersmaecker were adjustment of the green currency rates, marketing of Mediterranean produce including wine, and possible special measures to help Greece contend with its high inflation rate.

It is to be left to Mr de Keersmaecker, who as Belgium's joint agriculture and European Affairs minister, will be present at the budget discussions next week, to take a final decision on when to resume the meeting.



India's roadside justice

Anarchy on the roads is an enduring nightmare in India. But something is being done at last. Mobile courts, as seen above, are being set up as part of a novel concept: strict enforcement of the traffic laws (Trevor Fishlock writes from Delhi).

India's roads are among the most dangerous and frightening in the world. Drivers are reckless and fatalist, and pay scant attention to other road users, laws and road conditions.

The behaviour of bus drivers, for example, is an acknowledged national scandal. Bus crashes with large death tolls are commonplace. Many drivers are untrained, unlicensed and inexperienced. Lorry drivers, too, strike fear into other road users. Many of them, as

they hurtle towards another vehicle, make it a point of pride to swerve only at the last instant. Wrecked lorries litter the country's highways.

People often drive the wrong way around a roundabout or against the traffic flow. For many, it seems, traffic lights are purely decorative. Pedestrians and cyclists are given little consideration.

In Delhi the new chief of the police traffic department, Superintendent Kiran Bedi, is determined to put some order into the chaos. She calls Delhi's traffic "totally undisciplined" and is seeing that the law is more rigorously enforced. Hence the courts set up on the capital's roadsides. Magistrates can impose fines of up to 1,000 rupees (£58).

Guns before butter Pacifism is a dirty word in Russia

From Michael Binyon, Moscow, April 22

Almost every day Soviet newspapers report with approval the growing strength of western peace movements. Television shows demonstrations against nuclear weapons and carries interviews with disarmament campaigners. "There is in western Europe virtually no place free from anti-militarist sentiments", *Izvestia* said recently.

But any such sentiment is quickly and firmly suppressed at home. Indeed the Russians make it clear that they will not tolerate any questioning of their own nuclear arsenal, and have recently stepped up the campaign to inculcate a sense of "patriotic duty" in young people. As in East Germany, officials have expressed fears that "anti-militarist propaganda is beginning to backfire. There is no place for pacifism in the Soviet Union. The product is strictly for export to the West."

The authorities do all they can to prevent Russians equating military preparedness at home and abroad. The language used is different: whereas western policies are "militarist", "aggressive" and "expansionist", Soviet defence is invariably linked with patriotism, the strengthening of peace and repelling imperialist aggression.

Detailed descriptions are given of the West's nuclear might, its power to obliterate mankind and its debates on strategy and survival. No word is ever allowed out about Soviet strategy, military preparedness or nuclear arsenal.

The press acknowledges only "sufficient" weapons to give any adversary a "resolute rebuttal". The Soviet leadership, after long hesitation, recently authorized release of the number of nuclear missiles it admitted to deploying, but such is military secrecy that these were referred to only by their Nato-given names—SS4, SS5 and SS20.

Any form of western pacifism is carefully edited to show protests only against western weapons. Nuclear disarmers who arrive in Moscow are unable to speak in public of Soviet weapons, or display banners calling on the Kremlin to dismantle its missiles.

Pacifism has long been condemned by party propagandists. The 1978 edition of the *Soviet Military Encyclo-*

pædia describes it as "an unscientific now as it was at the time of its inception in the 1830s".

There is of course a large peace movement in the Soviet Union, but it is a fully-organized government body which lobbies for Soviet disarmament initiatives and encourages support at home for official foreign policy.

There is no spontaneous movement for unilateral disarmament, nor any other independent manifestation of anti-militarism, but there does appear to be a growing feeling of the military demands placed on each citizen. National service is very unpopular, and cases have been reported of mothers lobbying recruiting boards to prevent their sons being sent to Afghanistan.

The trend has already worried the authorities. Marshal Nikolai Ogarkov, chief of the Soviet General Staff and Deputy Defence Minister, in a recent booklet aimed at mass readership, called for a decisive struggle by propaganda workers to fight "complacency and elements of pacifism" among Soviet youth.

In spite of calls for greater military vigilance, there is little evidence of widespread pacifist feeling. A British peace delegation that came here in January was saddened to find that while Russians quickly condemned the military build-up in the West, they could not believe their own armaments could threaten any other country.

But as the Russians feel more and more threatened by the tough line coming from Washington and endorsement by enemies, they are determined to keep up their defences at whatever cost.

Military spending is estimated to be growing by about 4 per cent a year, but as the faltering Soviet economy slows down, this will bite ever deeper into the budget for consumer goods. The leadership will always put guns before butter, but it is anxious to ensure that rising discontent, especially among the young, at the low level of consumer goods is not translated into calls for cuts in the defence budget.

Pravda, told ideological workers last year to root out any traces of pacifism occasionally found in instructional and propaganda materials. Those, it appears, are for use overseas.

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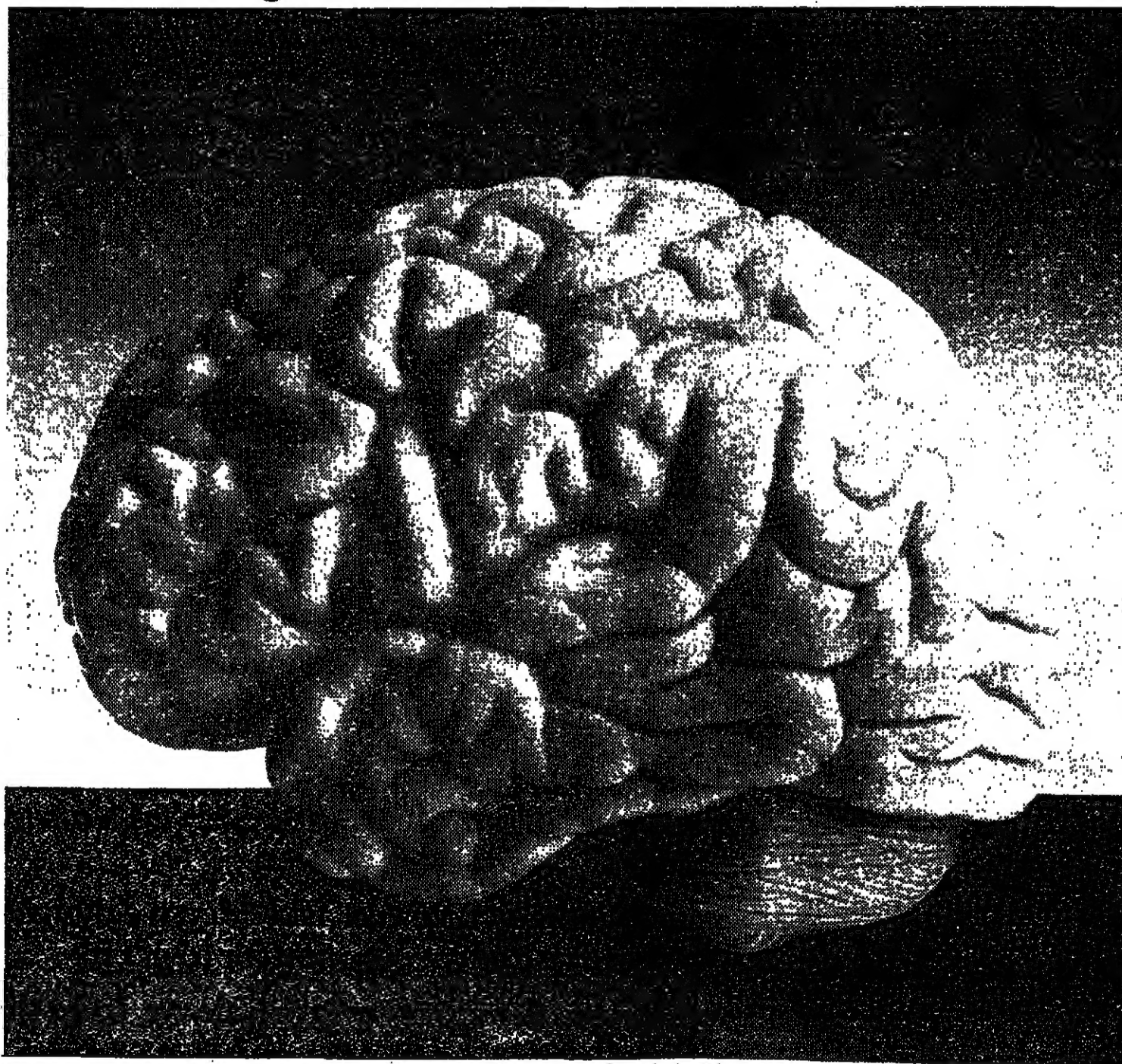
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UN tries to help Third World cities

From Our Correspondent Nairobi, April 22

The urban population in developing countries is expected to more than double over the next 20 years, putting city services under increasing stress and making the poor suffer most of all.

There are now 800 million "poor" people in the world with incomes of less than £50 a year. Many of the poorest of them are living in cities and towns, often in shanty areas with minimal facilities.

The United Nations Centre for Human Settlements—Habitat—founded in 1976 after the first United Nations conference in Human settlements in Vancouver is deeply concerned with the problems involved in raising housing standards in the fast-growing cities and towns of the developing world.

Habitat, which has its headquarters in Nairobi, is holding its annual conference here next week, starting on Monday, attended by representatives of most of the world's governments.

Habitat, like its sister organization, the United Nations Programme for Development, is itself facing problems, mainly of finance. Dr Arvo Kananen, its executive director, says that Habitat's work programme needs about \$m in extra-budgetary contributions from governments, and he is appealing for more finance. He is quoted by a suggestion of the general assembly that, as part of a general review of United Nations expenditure, Habitat should increase its efforts in seeking finance for housing services, but should cut down its work in developing more economic and efficient housing techniques and the planning of settlements.

For this year's conference, Habitat has prepared studies on urban and rural transport because, it points out, too costly transport systems limit the working ability of millions of poor people.

"Current rural transport policy, oriented mainly towards the provision of trunk roads and feeder roads, often built to a high standard of design is inappropriate, and should be reformulated," he says. "The rural poor should be provided with essential transport facilities and the development of appropriate (low-cost) vehicles for use both on and off the farm should be promoted."

There should be less emphasis on developing high-cost central city areas, and more on building up the "informal" economy. The United Nations plans to designate 1987, as the international year of shelter for the homeless.

Greeks free 500 to ease jail crisis

From Mario Modiano Athens, April 22

To ease prison congestion and relieve the serious backlog of court cases in Greece, the Socialist Government has passed a law suspending all jail sentences up to one year and dropping charges on all minor offences punishable by up to one year's imprisonment.

This has caused the Greek prison population of 8,000 to drop by 500 and 300,000 cases have been shelved.

The implementation of the new legislation, however, stumbled on a ruling of the Athens Appeal Court which declared that as the Constitution forbade amnesties for common offences, the law was unconstitutional.

The Appeal Court set a precedent and many courts followed suit by rejecting the invocation of the new law whenever a lawyer insisted that his client qualified for this reprieve. Other tribunals, however, disagreed, and the state prisons opened their gates to let out inmates who qualified.

The affair was fast developing into a muddle that was giving the Greek judges far more headaches than the law had created to cure. The confusion was ended by the Supreme Court recently when a plenary of the 25 judges decided that the law was constitutional and, therefore, valid. Their ruling is binding on the lower courts.

The case that prompted the ruling involved Mr Constantine Despotopoulos, a university professor who decided to make a test case of his refusal to swear an oath before a court of law.

Greek penal procedure excuses atheists from taking an oath in court. They can give their word of honour instead. Mr Despotopoulos insisted on doing the same on the ground that it was blasphemous and profane to take an oath to God. Curiously enough the Greek church agrees with him.

Two Greek courts so far have ruled against the professor and sentenced him to one month in jail. It was hoped that the Supreme Court would have given a final ruling. But the judges did not delve into the substance of the controversy; they simply dismissed the case involving the new law. The Supreme Court decided that the new law was fully constitutional as it did not involve an amnesty but a suspension of sentences which could be revived if within one year the defendant were irreversibly sentenced to a prison term of two months or more or a fine of at least £400.

There is an spontaneous movement for the emancipation of the independent manifestations of the popular will. It is not a movement for the support of the government, but it is a fully organized movement for the support of the government. There is an spontaneous movement for the emancipation of the independent manifestations of the popular will. It is not a movement for the support of the government, but it is a fully organized movement for the support of the government. There is an spontaneous movement for the emancipation of the independent manifestations of the popular will. It is not a movement for the support of the government, but it is a fully organized movement for the support of the government.

Greece's free 50¢ to ease oil crisis

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2. The second part of the document is a table with two columns: Name and Address. The names are listed in the left column, and the addresses are listed in the right column. The names are: John Doe, Jane Smith, and Bob Johnson. The addresses are: 123 Main St, 456 Elm St, and 789 Oak St.

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SOME THINGS THAT HAVEN'T CHANGED

One other virtue of the car is worth mentioning—and that a less fashionable one. It is conservatism,

wit a small c.

It still takes one man one day to make the Rolls-Royce radiator. It still takes him five hours to polish it. And the man who wrought this unique piece of sculpture still demonstrates his pride of craftsmanship by engraving his initials on the back of

the gleaming finished product.

Rolls-Royce still employ specialists - leather workers, tinsmiths, cabinet makers, seamstresses, the best of their kind in the world - to do by hand and eye what machines cannot do.

It still takes over three months to make a Silver Spirit.

And it is still true that every car that leaves the factory is, in a thousand subtle ways, different from every other.

These things are so, not just because Sir Henry Royce decreed them, but because this kind of single-minded perfectionism is the only way

to make the best of anything in the world.



'Usability' wrong test for drugs

No access to court through EEC law

Regina v Boyesen
Before Lord Wilberforce, Lord Fraser of Tullycannon, Lord Scarman, Lord Roskill and Lord Bridge of Harwich
[Speeches delivered April 22]

The offence of unlawful possession of a controlled drug under section 5 of the Misuse of Drugs Act 1971, did not depend on the test of "usability" of the amount possessed. The question was not whether the substance was a controlled drug, but whether it was a controlled drug in the possession of the defendant.

The Lords allowed an appeal by the prosecution from the Court of Appeal (Criminal Division) (Lord Justice Shaw, Mr Justice Bingham) (1980) 72 Cr App R 433, which had quashed the conviction of Mr Boyesen for possession of a controlled drug.

The Court of Appeal had held that the defendant's possession of a controlled drug was not unlawful because the substance was not a controlled drug in the possession of the defendant.

The Lords held that the defendant's possession of a controlled drug was unlawful because the substance was a controlled drug in the possession of the defendant.

The Lords allowed an appeal by the prosecution from the Court of Appeal (Criminal Division) (Lord Justice Shaw, Mr Justice Bingham) (1980) 72 Cr App R 433, which had quashed the conviction of Mr Boyesen for possession of a controlled drug.

1971 was intended to prohibit possession of the minute quantity of the substance which would not be "usable". R v Boyesen (1978) QB 472, 478.

In *Keane v Gallagher* (1980 SLT 144), however, the High Court of Justiciary had held "It is the possession of the minute quantity of the substance which would not be 'usable' which is made punishable by section 5... not its use or potential use".

The statutory offence might be described as an absolute one in the sense that the prosecution established it by proving possession of a controlled drug. Possession was a deceptively simple concept. It denoted physical control or custody.

You might possess a thing without knowing or comprehending its nature, but you did not possess it unless you knew you had it. His Lordship adopted the description of possession given by Lord Wilberforce in *R v Warner* (1969) AC 256, 310-311.

There could be no doubt that the defendant had in his pocket a tin of leaf in which there was a measurable quantity of a brown substance which on analysis proved to be cannabis resin. He knew he had the tin, the bag and the leaf in his possession. It was in his possession in the sense of subsection (1) above.

Mr J. D. Fennell, QC and Mr John Farmer for the Crown; Mr Barbara Calverley, QC and Mr Anthony Shaw for the defendant.

LORD SCARMAN, with whose opinion the other Lords concurred, said that the difference of opinion existed between the Court of Appeal in England and the High Court of Justiciary in Scotland.

In the instant case the Court of Appeal had followed an earlier decision in which it had been held that "if the evidence is that the quantity is so minute that it is not usable in any manner which the Misuse of Drugs Act

possession was unlawful only because it enabled misuse to occur; (2) attention was drawn to some unreported cases in which the Court of Appeal had followed with approval the decision in *Keane*.

His Lordship found himself entirely persuaded by the reasoning of the Lord Justice-Clerk in *Keane v Gallagher*. The plain unqualified words of the subsection, which led to the controlled drug and *ex facie* anything which is capable of being identified as a controlled drug is struck at by the subsection. It is the possession of the controlled drug which is made punishable by section 5(1) and (2), not its use or potential use... the plain words of the subsection make it plain that the controlled drug which is made punishable by section 5(1) and (2), not its use or potential use... the plain words of the subsection make it plain that the controlled drug which is made punishable by section 5(1) and (2), not its use or potential use...

The question did not arise in the present case. On the evidence the jury accepted that the defendant knew that the traces of brown substance were there. He knew that the brown substance was cannabis.

In his Lordship's opinion criticisms levelled by the Court of Appeal on the prosecution's authority and the trial judge's defence were unjustified.

The Chief Constable of Cambridge who authorized the prosecution, was fully justified in doing so. He was correct in law and the reasons which led to the decision in favour of prosecution were not known to the Court of Appeal and were not that court's business under the provisions of the Criminal Appeal Act 1968, which was certainly not the fact in the present case.

The trial judge certainly made his view of the law very plain in his exchanges with counsel. He was correct in law and the reasons which led to the decision in favour of prosecution were not known to the Court of Appeal and were not that court's business under the provisions of the Criminal Appeal Act 1968, which was certainly not the fact in the present case.

The appeal was allowed and the conviction restored.

Solicitors: Sharpe, Pritchard & Co for Mr D. C. Beal, Huntingdon; Bindman & Partners, for Peter Soar, Cambridge.

British subjects against Danish subjects, the matter could be brought before the court by means of judicial review.

LORD JUSTICE KERR, agreeing, said that where section 27 was considered in the context of sections 26, 27 and 28 it was clear that the machinery for complaint to the Secretary of State of Trade under section 27 provided the only remedy open to the plaintiff and that there was no concurrent right of action in the courts.

Mr Seymour's basic submission on EEC law was that article 7 conferred rights of direct application against individuals and that it could be invoked by individuals in the absence of any legislation in the member state in question which discriminated on the basis of nationality.

That submission was not supported by any authority which he cited. It was clear that only some, but by no means all of the provisions of the Treaty of Rome were directly applicable as to found claims by individuals against individuals in member states.

Mr Seymour further asserted that whenever an individual sought to invoke some claim under the Treaty of Rome or section 2 of the European Communities Act 1972, he was entitled to go to the courts by means of an action in the courts even where under national legislation the subject matter of his claim fell to be dealt with otherwise than by action in the courts.

That submission was wholly misconceived. There could be no doubt that rights and obligations arising from the Treaty, as well as from regulations and decisions of the Council of Ministers, formed part of the *corpus juris* of the member states. Where the responsibility in question had been entrusted by the national law to some executive or administrative authority, the *corpus juris* of EEC law had to be applied.

Thus, in the present case it was common ground between the parties that upon complaint to the Secretary of State under section 27 of the 1931 Act, the minister would be bound to take into account all relevant provisions of EEC law which prohibited any discrimination on grounds of nationality.

If he failed to do so, his decision was open to judicial review. However, it did not in any way follow that the assertion of any right under EEC law automatically conferred a right of access to the courts when the national law had set up some alternative machinery for dealing with complaints in the fields in question.

Accordingly, since it was rightly concluded that, in dealing with complaints under section 27 of the 1931 Act, the Secretary of State was bound to take into account all relevant provisions of EEC law, the basis of the plaintiffs' claim did not go to the merits of their case and the claim was dismissed.

Solicitors: Bentley, Stokes & Lewis, Linc & Co.

Union duties include policies

Clear words required to terminate employment

Beal and Others v Beecham Group Ltd
Before Lord Justice Stephenson, Lord Justice O'Connor and Sir Stanley Rees
[Judgment delivered April 5]

Trade union officials were entitled to require a difference of opinion existed between the Court of Appeal in England and the High Court of Justiciary in Scotland.

In the instant case the Court of Appeal had followed an earlier decision in which it had been held that "if the evidence is that the quantity is so minute that it is not usable in any manner which the Misuse of Drugs Act

organization. It followed that the NAC was a properly constituted body whose purpose was to provide a forum for an adequate exchange of information between the separate establishments and to determine policies affecting the members nationally.

His Lordship said that clear attendance at a meeting of the NAC called solely for the purpose of exchanging information was not a sufficient basis for a claim that the union was not a trade union under section 2(1) of the Employment Protection (Consolidation) Act 1978 for "duties concerned with industrial relations". Those duties were not limited to those connected with the collective bargaining process or by the precise terms of recognition recorded by the employer to the union.

The Court of Appeal so held in dismissing an appeal by employers, Beecham Group Ltd, from a decision of the Employment Appeal Tribunal.

The respondents to the appeal, Mr Nigel Beal and six others, who were employees of the company and members of the Association of Scientific, Technical and Managerial Staffs (ASTMS), an independent trade union, had attended a meeting of the ASTMS National Advisory Committee (NAC) for the Beecham Group in London and had claimed time off with pay under section 2(1) of the 1978 Act. The claim had been refused by the employers.

The employees had complained to the industrial tribunal, which held that the employees in attending the meeting were not carrying out duties which were concerned with industrial relations and did not qualify for time off with pay.

The employees had then appealed to the Employment Appeal Tribunal which held that the industrial tribunal had construed section 2(1) too narrowly and had allowed the appeal.

Mr Richard Field for the employers; Mr John Hendy for the employees.

LORD JUSTICE O'CONNOR said that the section was being considered for the first time by the Court of Appeal.

In the present case it was not disputed that the union had members working at the establishments of the employers, who were a large industrial

Tracey v Zest Equipment Co Ltd
Before Mr Justice Neill, Mrs D. Ewing and Mr T. H. Goff
[Judgment delivered April 7]

Employers who required an employee to sign a document which stated that the employee understood the employer's statement that if he failed to return by a certain date the employers would consider the employment terminated, but which also stated that if he did not return by a certain date he would assume that he had terminated his employment, were not required to take him back when he returned five days later on the ground that the contract of employment was terminated by mutual consent.

The Employment Appeal Tribunal had held that the contract of employment was terminated by mutual consent.

The appeal was allowed and the employee was reinstated.

Solicitors: Swanton, Hughes & Co, Birmingham; P. S. Cooke.

It was argued on appeal that the case was similar to *Midland Electric Manufacturing Co v Kanji* (1980) 119 LQR 359, where the appeal tribunal held that an employee, by signing a statement that if he failed to return by a certain date the employers would consider the employment terminated, but which also stated that if he did not return by a certain date he would assume that he had terminated his employment, was not required to take him back when he returned five days later on the ground that the contract of employment was terminated by mutual consent.

The Employment Appeal Tribunal had held that the contract of employment was terminated by mutual consent.

The appeal was allowed and the employee was reinstated.

Solicitors: Swanton, Hughes & Co, Birmingham; P. S. Cooke.

Way to avoid discovery difficulties

In S and W (Minors)

It was unfortunate that a document which was relevant to proceedings in wardship proceedings to take conference reports. Those documents were conceded to be privileged. It would have been better for the doctor to have been granted a writ of habeas corpus to take the documents to the court for judicial review.

Mr Seymour raised some points about EEC law. There was no question of the EEC law having any impact, it would be taken into account by the Board of Trade when it considered a complaint. It was not a matter for direct action in the courts.

If the Board of Trade should be guilty of a breach of article 7 of the Treaty of Rome, it would be a matter for direct action in the courts.

The appeal was allowed and the employee was reinstated.

Solicitors: Swanton, Hughes & Co, Birmingham; P. S. Cooke.

Principles for granting leave to appear on law in arbitrations

Babanaft International Co SA v Avast Petroleum Inc
Before Lord Justice Stephenson, Lord Justice Donaldson and Sir David Cairns
[Judgment delivered April 7]

The Court of Appeal considered the principles on which leave to appeal to the Court of Appeal should be granted from a decision of the House of Lords in a case involving a preliminary point of law pursuant to section 2 of the Arbitration Act 1950.

The Lords refused an application for leave to appeal and dismissed an appeal by Babanaft International Co SA, owners of the vessel *Oltima*, from decisions of Mr Justice Bingham, that it was not under a charterparty against the charterers, Avast Petroleum Inc, were time-barred and he could not extend the relevant charterparty provisions to the charterers.

Mr Richard York, QC and Mr Richard Aikens, QC and Mr Timothy Dutton for the charterers.

LORD JUSTICE DONALDSON, in a reserved judgment, said that the two issues raised by the proceedings were of considerable commercial interest and general importance.

In November 1980, the owners chartered the vessel to the charterers for a voyage from one safe port to another in the Mediterranean Sea.

The charterparty was on the Asbatankvoy form, October 1977 edition. Clause 42, inserted by the parties, provided: "Charterers shall be discharged and released from all liability in respect of any claims owners may have under this charterparty... unless a claim has been presented to charterers... within 90 days from completion of discharge of the cargo concerned under this charterparty."

The vessel completed discharge at Algiers on December 16, 1980, so the 90-day period expired on March 16, 1981.

On December 31, 1980, the owners presented to the charter-

benefit of adversarial argument, that the meaning ascribed to the clause by the arbitrator is obviously wrong.

Mr York, for the owners, submitted that such an approach should not be adopted, at least in the case of an appeal from a decision of an arbitrator. In such a case, he submitted, that the arbitrator's decision should be preferred for legal accuracy and should be allowed to appeal to the Court of Appeal, and if necessary to the House of Lords. His Lordship did not accept that argument. Agreement to a question of law arising in the course of law arising in the course of arbitration was one thing. Agreeing to an appeal to the Court of Appeal from that arbitration was quite another and the charterers had never so agreed.

In the case of an appeal on a question of law arising in the course of arbitration, the arbitrator's decision should be preferred for legal accuracy and should be allowed to appeal to the Court of Appeal, and if necessary to the House of Lords. His Lordship did not accept that argument. Agreement to a question of law arising in the course of law arising in the course of arbitration was one thing. Agreeing to an appeal to the Court of Appeal from that arbitration was quite another and the charterers had never so agreed.

The owners applied for leave to appeal from the judge's refusal. That was the first such application in time for the Court of Appeal where the decision in question had been given in the exercise of the jurisdiction under section 2 of the Act.

In *Pioneer Shipping Ltd v BTP Tioxide Ltd (The Nema)* (The Times July 17, 1981; 1981 3 WLR 802), the House of Lords considered whether the course of the reference under section 2 of the Act of 1950, the second invited the court to extend time under section 27 of the Act of 1950, provided: "(1) on application to the High Court made by any of the parties to a reference... (b) with the consent of all the other parties,

any difference in the attitude of the Court of Appeal towards an application for leave to appeal from a decision of an arbitrator with one to appeal under section 1, it must be that leave to appeal under the former was less readily given.

That must be right in principle. Section 2 was the successor in title to the old consultative case. For colloquially, the arbitrator or the court was reluctant to pick the brains of one of her Majesty's judges and, thus enlightened, resumed the arbitration. It was a procedure designed to interrupt the arbitration to the minimum possible extent and it was not intended that the arbitrator should be asked to pick the brains of one of her Majesty's judges and, thus enlightened, resumed the arbitration. It was a procedure designed to interrupt the arbitration to the minimum possible extent and it was not intended that the arbitrator should be asked to pick the brains of one of her Majesty's judges and, thus enlightened, resumed the arbitration.

The instant case involved a question of law, even if there was a family relationship. On a perusal of the clause and the judgment below, it was very far from obvious that the arbitrator's decision was wrong. On the contrary, it bore every indication of being right. Accordingly, Mr York was refused leave to appeal.

Although the judgment below was given in January, 1982, the possibility of an appeal had been limited three months before. It was much too long an interruption of a commercial arbitration. No doubt in part that had been due to a lack of appreciation of the special nature of an application for leave to appeal. It was a matter for the House of Lords to decide whether or not to grant leave to appeal.

His Lordship doubted whether the argument could have been advanced with the faintest air of plausibility but for the discovery since the hearing below of the decision of the Queen's Bench

Divisional Court in *Nestle Co Ltd v E. Bigns & Co Ltd* (1958) 1 Lloyd's Rep 398.

The relevant clause in that case was: "...any claim on quality or condition of the goods must be made within 14 days from the day of weighing and/or discharge of goods at port of final destination". Giving the judgment of the court, Lord Justice Stephenson said that the clause was clear and that the court had jurisdiction under section 27 to extend the time which was to be taken because the claim is the first step towards arbitration.

His Lordship had difficulty in seeing why the making of a claim for quality or condition was a step to commence arbitration proceedings. It was a condition precedent to such proceedings. It did not of itself commence the proceedings or necessarily lead to their being commenced. The claim might be conceded or refused amicably. The Divisional Court decision was wrong and should be overruled.

Section 27 empowered the court to extend the time fixed for giving notice to appoint an arbitrator, appointing an arbitrator or taking some other step to commence arbitration proceedings, if doing so would prevent a claim becoming time-barred. It did not empower the court to extend any time limit for the making of a claim for quality or condition of the goods.

With considerable reluctance, but without doubt or hesitation, his Lordship would dismiss the appeal.

Solicitors: Thomas Cooper & Stubbard, Cardiff & Chancery.

Final exam results of the Law Society

The names of those who have passed all the papers in The Law Society's final examination are listed below (list A).

The candidates who have been referred to the Solicitors' professional practice, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

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Sourly comic notion

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...er's *La Ronde* had a tepid, scandal in the theater and a halfway entertainment for the Shakespeare Company's production by Mike for the Shared Experience company, it became many more of the that were previously for the play. It is and insightful, sensual with sadness; it is things because Packer and Jonathan Hamm those qualities, en- by understanding, to diverse characteriza-

...play is little more in than a sequence of ss. All the indignity

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ed Chaillet

whose Marcellina somehow eluded the cast list.

Hytner's production may be, in any case, more justly appreciated at Sadler's Wells than in Tunbridge Wells where it was first shown. This week's other performance of it in Rosebery Avenue, tonight, can be warmly recommended.

William Mann

cycle based on poems by Blok. Each song achieves effect with a different instrumental combination: mournful cello for "Optimism," an aggressive brass for "The prophet bird" (brilliantly played by Saunders) for "Gamay," and a cello for "Kenny had the measure of them all."

Royal Shakespeare Company
BARBICAN

Act III still begins with servants' noisily erecting wedding festoons, even during the Count's monologue in recitative, an unnecessary distraction. Taken as a whole, it is a sensible and illuminating exposition of the intricate action, particularly keen on character contrasts. Gordon Sandison's pop-eyed Mr Toad of a Count, whose Marcellina somehow eluded the cast list. Hytner's production may be, in any case, more justly appreciated. But Sadler's Wells than in The Sledge Wells where it was first shown. The week's other performance of it in Rosbery Avenue, tonight, can be warmly recommended.

William Mann

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Barry Millington

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play is little more in
than a sequence of
s. All the indignity
reference of one-night

William Mann

Barry Millington

Is this the best way to bury the Green Giant?

by Simon Jenkins

Ever since the last war, London property developers have been asking architects to come up with silly questions and getting hideously silly answers. The tapering spires which gave pre-1940s London the appearance of floating above the Thames basin have been submerged. In their place has come none of the romance of Manhattan's skyscraper clusters. Instead we have a landscape of broken stumps of buildings, misshapen shoeboxes-abusing their surroundings and devoid of any capacity to elevate the spirit.

Last July Mr Michael Heseltine, the Environment Secretary, tried to put an end to this syndrome. He rejected a 500ft tower, nicknamed the Green Giant, mischievously proposed for the south end of Vauxhall Bridge by a parliamentary colleague, Mr Keith Wickenden of European Ferries. It was a decision of some courage and it makes past capitulations to commercial pressure on the skyline (most lamentably by Harold Macmillan over the Hilton and Shell towers) all the more gratuitous. The Green Giant, said Mr Heseltine, would be "massive and overbearing" and should not be built. He was right.

Instead he announced an architectural competition for a combined site extending on both sides of the southern approach to the bridge. 12 acres with a construction value of some £90m and one of the largest and most valuable sites still left in central London. Situated opposite the Tate Gallery, upstream of Parliament and downstream of Chelsea, it is also one of the most visually sensitive. Mr Heseltine was in effect declaring a public contest, with a prize of £50,000, to open a new era in British public architecture.

He had done an exciting thing.

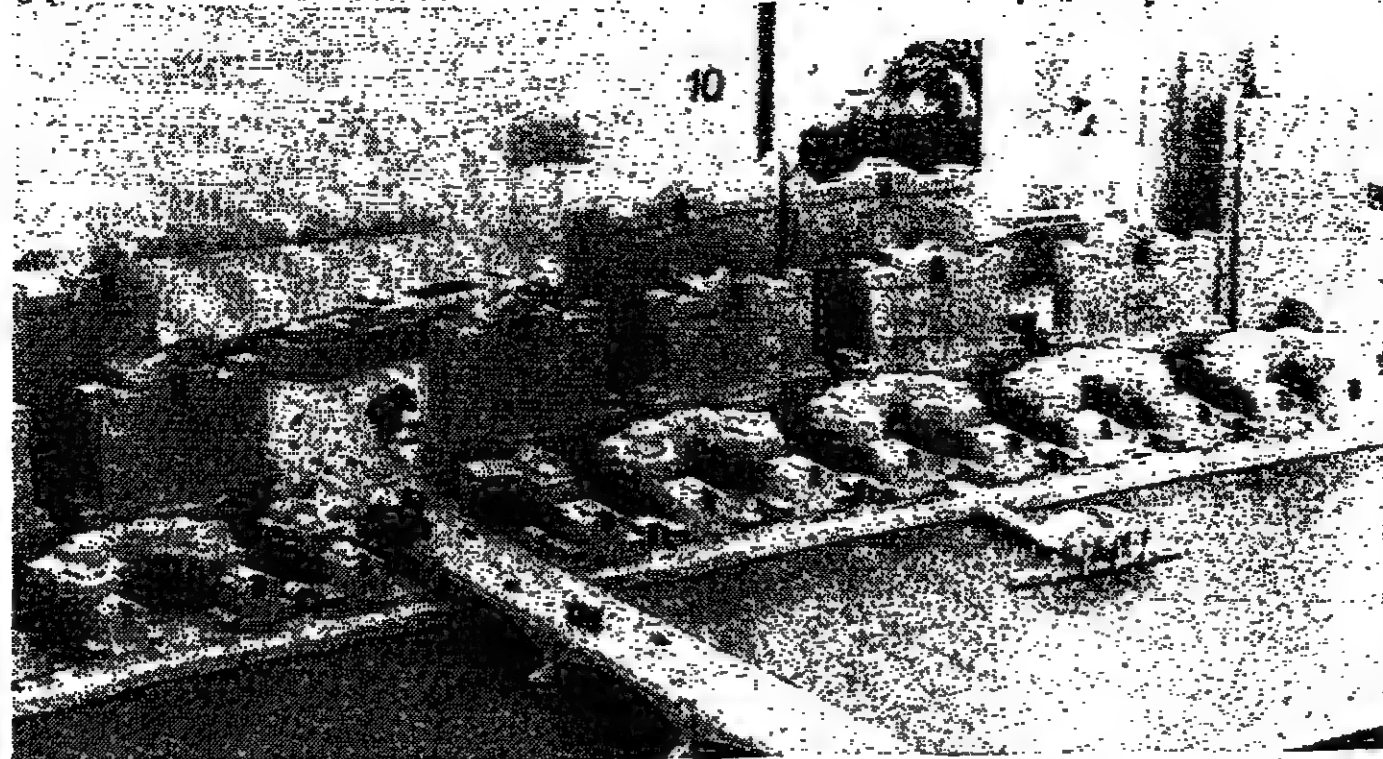
He then promptly all but undid it. The developers, Mr Ronald Leeson and his backers, Shaikh Khalid bin Mahfouz and the Kuwaiti Artco Bank, were allowed a floor area/site ratio of 2.5:1 against the local Lambeth planners' brief of a 2:1 maximum. In addition, almost a quarter of the development had to be of politically cosmetic housing and leisure amenities, effectively increasing yet further the bulk of the offices. This was a devastating requirement ensuring the worst of both worlds. It meant that whatever else the contest might be, the office content was bound to be "massive and overbearing".

There was to be no scope for genuine alternatives; no question of a smaller scale of development, of breaking the site up into various owners, users or tenants; no planning radicalism; no enterprise zones on quarter-acre plots; no flexibility to consider a variety of commercial uses. This was to be old-fashioned comprehensive development, the attitude of mind which brought you the Elephant and Castle, St Paul's Precinct and the continuing catastrophe of the Barbican.

Faced with this prospect the first temptation must be to run away and scream. Masterpieces of concrete, glass and steel are now almost certain to glare down at the gentle streets of South Lambeth and Pimlico. And we had all better grit our teeth and bear it. The eight short-listed competition entries are now huddling in a temporary exhibition tent in a corner of Vauxhall Cross as if ashamed to show their faces in public. And although we are given the names of the winning teams, only with illicit ingenuity can some of them be matched to the models and photomontages, all coyly anonymous. What on earth are we to make of them? I must admit that under all the circumstances they are fascinating. The planning brief has inevitably produced vastness, but it has not destroyed originality. I assume most credit for this goes to the architect David MacCormac who is on the three-man assessment panel. And the Tate Gallery opposite could do worse than accept the eight as a monumental festschrift to post-war "developments" architecture in celebration of a near-extinct species.

All the Post-modernist styles are gathered in attendance, though sadly none represented by their originators. There is "High Tech" (scheme A) with the visible service ducts, metal frames and drooping greenery of the Norman Foster/Richard Rogers school. There is Beaux Arts revival (G), complete with Philip Johnson's "Chippendale" pediments. Scheme H has twin towers looking like Cape Kennedy space-shuttle silos. Scheme D is apparently an exercise in council-estate renaissance.

Scheme E is a huge pile of Cote d'Azur siggurs of the sort now considered de rigueur for all high-density marina developments. And for good measure the judges have included scheme C, a set of extraordinary neo-Stalinist wedding cake turrets straight from the banks of the Moscow river. There are chevron patterns, cliff walls, grids, podia and useless expanses of walkway; in short anything and everything to rid the mind of the hated point blocks and curtain walls. From the architecture of the shoebox we have leaped in one bound to that of the Mad Hatter's tea-party.



The Green Giant site (left), across the river from the Tate, and plan G (above), the 'monumental joke' which might be chosen from the eight competition finalists.

It is now likely that one of these will be built. So if we must have gigantism on the South Bank, let it at least be truly stunning. If architecture is to be forced by planners to hallow at the public, let it do so with as much style and wit as it can muster. I enjoyed scheme A — the "High Tech" — with its light glass towers topped with engineering-as-decorated and surrounded with stepped blocks of reflecting glass. It has levity and dash and is unmistakably of the 1980s.

The twin amphitheatres (E), I assume by Nicholas Lacey, have similar flair. They take the river bank and swirl it round towards Chelsea with a great soaring and plunging outline: the hanging gardens of Vauxhall. Lacey also gets two monster semi-circular blocks to guard the bridge approach, as if warning that southwards "Here be dragons".

But my favourite is G, Terry Farrell's ultimate architectural joke. Here on the shores of the Thames he proposes the Baths of Pallasia as redesigned villas rise on a grid to classical temples and finally to cliffs of offices faced in mirrors to reduce their bulk. All is surrounded by broken, almost deranged, pediments.

It is an outrageous revival of the English classical tradition, as if in expiation of the horrors which modern architecture has inflicted on London. It would be a timeless monument and a joke on Mr Heseltine in the very best of taste.

The author is political editor of The Economist, was editor of The Evening Standard 1976-78 and has written many books, pamphlets and articles on architecture.

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David Watt

In the end it's down to America

The Foreign Secretary's present visit to Washington appears to have been the subject of some foreboding elements of his party. Will not the inexperienced Mr Pym, once removed from the immediate scrutiny of the Prime Minister and of right-minded Members of Parliament, be liable to have his arm twisted by the Reagan Administration? Is he robust enough to stand up for British interests against the charm of the President and the forceful pressures of Mr Haig and Mr Lawrence Eagleburger?

The short answer is that if Mr Pym shows signs of "backsliding" it is likely to be far more from personal conviction than from American pressure. The Administration will certainly continue to urge caution and compromise, but the general atmosphere in Washington — in the Congress and in the media — is as pro-British as it is pro-American, and so critical of the even-handedness of the President as between Britain and the Argentine that if anyone has the disposition in these conversations to put the Falklands on anyone else, it is the British Foreign Secretary, who has the better hold. Mr Haig is no John Foster Dulles and this is not Suez.

Nevertheless, the Conservative "hawks" are padding about in the right pool. No amount of patriotic euphoria should ever be allowed to obscure the reality that there is no way, whether military or pacific, in which the Falklands crisis can be settled to the satisfaction of Britain and the Islanders without the active cooperation of the US. It is not simply a matter of immediate American "good offices" in the dispute or even of American economic leverage over the junta.

In the long term, it is likely to be American guarantees of whatever status is negotiated for the islands, and indeed a significant part of American in the hemisphere as a whole, that will provide the essential security for an adequate settlement.

In other words, in the Latin American context our need for the US is far greater than our nuisance value to the Americans. It therefore behooves us to put the Falklands issue firmly in the middle of the debate about the future of the Atlantic alliance that has been going on ever since Soviet-American nuclear parity and the Afghanistan crisis precipitated it into the open.

The irony, of course, is that the Falklands question has opened the discussion of the subject upside down. For the past 18 months, the main focus of attention has been American complaints that the Europeans have not been pulling their weight, that we were turning soft and neutralist, and that unless we pulled ourselves together and spent more on defence and on supporting the crusade against Soviet imperialism worldwide, the US would inevitably start to downgrade its commitment to Europe.

Now the boot is on the other foot. It is the British who are complaining about lack of American support for a European attempt to resist aggression outside Europe. The first set of arguments was fuelled by the latent isolationism and nationalism of American public opinion; the second are feeding upon the latent anti-Americanism that occasionally wells up on the right as well as the left of British politics.

It might be said that this reversal is all to the good and that we have all learnt our lessons at last about the indivisibility of global problems, about the vital need for

Atlantic unity and about the utility of adequate and flexible conventional forces.

Unfortunately it is not as simple as that. The Falklands affair will certainly have had some good effects on the alliance but it is important to realize that some of the lessons are not so reassuring.

In the first place, the Falklands are in one sense an exceptional case. There are almost no other instances remaining (with the possible exception of Gibraltar and one or two very small French possessions) where a European power has allowed its credibility to remain linked to the defence of an overseas commitment.

The principle of "punishing aggression" and "maintaining stability", which the British Government proclaims as its ruling motive in the Falklands case, is a nice bonus (and a perfectly genuine one) if we are going to war in our own interests anyway, but it is quite simply incredible that any modern European power will go to war outside Europe on this kind of ground alone.

The French exercise in Zaïre and the British commitment in Oman and Brunei are marginal exceptions to this but they are doubtful guides to generalization — the first being arguably a case of "interest" and the second very limited commitments indeed. The fact is that whatever the Falklands South Atlantic, Europe remains in the American point of view a very unsatisfactory partner in the role of global policeman both as regards capacity and as regards political will, and as soon as the needs of the Falklands affair has settled all the old arguments and resentments on this score will undoubtedly resurface unless we take steps to improve matters.

This would not matter so much if American and European preoccupation and interests always marched together, but as the present crisis again shows, this is not invariably the case.

The US needs to maintain a diplomatic posture in relation to Latin American countries that is at odds with the interests of one of its major allies, just as say West Germany needs to maintain a position in the European region, vis-à-vis its immediate neighbour, the Soviet Union, that is at odds with the perceptions of the US. There is nothing surprising about this but it needs far more management and calm recognition than we have given it in the past.

The other related question raised by the incident is even more serious. It is whether the US itself is really able to fulfil the policeman's role that it has set itself. The Falklands issue is a peripheral question for the US, requiring, even under the worst eventualities, little or no American military commitment and involving no immediate Soviet presence or interference.

But it has already strained the sources of American policy and there are more potential Falklands around the world which may have to be contended with in the future, given the efficacy of low-level violence.

All this will require in the end, much thought, much alliance consultation, and, in all probability, new alliance machinery. In the pressure and uncertainty of the crisis it is easy to forget these underlying problems, but they lie just beneath the surface of the situation all the same.

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Sinai: the war waiting in the wings



Israeli soldiers remove an anti-withdrawal protester in the Sinai

Jerusalem. By one of those supreme ironies of which the Middle East is so fond, the approaching climax of the first stage of the Camp David peace process — the final Israeli retreat from Sinai — has been accompanied by widespread concern about the prospect of a new Arab-Israeli conflict.

Even before Wednesday's massive Israeli air raids in Lebanon the first since the American-negotiated truce came into effect last July, a combination of Israeli troop movements, Palestinian provocations, and ominous warnings from Cabinet ministers had convinced most Western diplomats in Tel Aviv that a new Israeli military thrust into Lebanon was inevitable. Some had even started a private book on the most likely date.

It is no secret that over the past few months, a number of leading figures in Israeli defence establishment have held talks with Lebanese Christian leaders from East Beirut. Little has been done here to dampen speculation that instead of repeating the 1978 Litani operation, a new Israeli invasion would include a plan for a movement from the north aimed at eliminating all Palestinian positions threatening Israel's vulnerable northern settlements.

Although Israeli generals and politicians continue to

insist that the air raids were a warning rather than an end to the ceasefire, observers in the Middle East were braced for possible Palestinian retaliation which could quickly spark a full-scale confrontation as The Jerusalem Post wrote yesterday: "Until yesterday afternoon the question was: will there be a war in Lebanon or will there not? Some good arguments could be marshalled in support of both possible answers. Now the question is: is this the war in Lebanon or is it not?"

There have, in any case, been serious Israeli doubts about the long-term viability of peace with an Egyptian Government which is determined to return to the Arab fold. In Jerusalem, little enthusiasm is to be found for President Mubarak's suggestion that Egypt could act as a peace-making bridge between Israel and the other Arabs.

Anxiety reached fever pitch following the recent non-aligned conference in Kuwait, when a lengthy speech by Egypt's delegate made no reference at all to the deadlocked talks on Palestinian autonomy, the lynchpin to the future viability of the Camp David framework.

Faced with accusations by many Israeli commentators (including Mr Ze'ev Schiff, the country's most respected military correspondent) that the government was whip-

pling up something of a false crisis over the impending Sinai handover, one official commented defensively: "We have got to make sure that future Egyptian moves are not paid in Israeli currency."

Doubts about the future of the peace process after April 25 are widespread at every level of Israeli society, even among those who strongly supported the peace treaty and still regard it as better than any readily available alternative.

The key to the concern was the murder last October of President Sadat and his smooth replacement by a man anxious to resume Egypt's Pan-Arab role. Outsiders are now reminded that Mr Begin is the only one of the three Camp David signatories still in power; and his shaky state of health is a constant source of gossip among Israeli politicians. Distrust of Egypt's attitude was increased when news leaked out of President Mubarak's reluctance to pay an official state visit to Jerusalem. The worries were whipped up by an Israeli administration which appeared to many observers to be deliberately oversteering the dangers inherent in its future relations with Egypt without the lever of the Sinai.

The genuine wave of national anxiety caused by the uprooting of Jews from the Sinai — heightened this

week by the forced eviction of many anti-withdrawal Israelis and the suicide threat issued by the members of the extreme right-wing Katch movement in a Yamit air-raid shelter — had almost certainly been given insufficient weight in Egypt, where there have been signs of a lack of flexibility during negotiations. "When you think of the thousands of square miles we are abandoning, you would have expected some flexibility over a few hundred yards", complained one Israeli official.

Inside Israel, where matters of strategy are very much the stuff of everyday conversation, there is a feeling that the new drive into Lebanon — a policy greatly favoured by the hawkish defence minister, Mr Ariel Sharon, — will provide the first test of the strength of Israeli relations, because it may well embroil Syria.

The other test is most likely to occur in the West Bank and Gaza Strip, where resentment over 15 years of occupation has recently risen to a new pitch because of Israeli's security clampdown and the shooting of Muslim worshippers in the shadow of the sacred Al-Aqsa Mosque, the third holiest shrine of Islam.

To those unfamiliar with

the religious passions provoked by Jerusalem's holy places, the strength of fury caused by the shooting is hard to convey. For once, the hyperbolic claim by young Palestinians that they were prepared to bare their chests against Israeli bullets seemed not to be much of an exaggeration.

The grim mood in Gaza was described by the moderate Arab mayor, Mr Rashad ash-Shawa, after Israeli troops had wounded some 100 local Arabs with bullets in a period of a few weeks and killed others. "We have reached the point where many of our people feel they have nothing more to lose," he said. "There is now a mood of despair which could have very dangerous consequences."

Apart from the depressing probability that the embryonic peace with Egypt will continue to be fraught with difficulties, confident prediction beyond the milestone of April 25 are hazardous, in such a volatile region. But few now doubt that the possibility of an Israeli military push into Lebanon and the explosive issue of Israeli control of the West Bank will be the two issues which will predominate once the Star of David is lowered over the Sinai on Sunday for the last time.

Christopher Walker

How a meat Bill could leave a bad taste

As it reaches report stage in the Commons today, there is a sudden and unexpected threat to Norman Atkinson's private member's Bill aimed at ending the trade in unfit meat.

Thus far it has enjoyed a smooth passage, but now an amendment in the name of Peggy Fenner appears on the order paper with Government support. Its effect would be to ease the defences available under Section 113 of the Food and Drugs Act, modelling them instead on the more recent Consumer Safety Act which has already been declared unsatisfactory by the trading standards officers charged with its enforcement.

Under the Food and Drugs Act a person charged with an offence who wants to show that it is someone else's fault is obliged to name them and bring them before the court as a co-defendant. Admittedly this is not easy now that more food is imported. The requirement would be dropped under Fenner's amendment. Yet it was only in February 1980 that Peter Walker scrapped a review of the Food and Drugs Act which had been in progress since the middle of the last Labour government, announcing that no major changes were required in the legislation.

The Fenner amendment would to some extent negate Atkinson's proposals for stiffer penalties. If other aspects of the legislation are now to be reconsidered, it would be better if the Govern-

ment paid more attention to the law's deficiencies. There is, for example, no power for central government to remove unfit foodstuffs from the market. It all depends on local enforcement. That means that if ever something like the Spanish olive oil disaster occurred here — which God forbid — we would not be all that much better prepared to deal with it than the Spanish were.

How easily misled these Celts are. John Home Robertson, MP for Berwick and East Lothian, sent back an artificial red rose which he, in common with all other MPs, was invited to "wear with pride upon St George's day" by the England quarterly. What seems to have upset him particularly is that the accompanying brochure, under "Songs of England" listed Auld Lang Syne.

True story

There is a more interesting performer card for the new BBC 1 thriller *Bird of Prey* than the well-publicized Mandy Rice-Davies. In the final episode of the serial (the first was shown last night) Christopher Logue, the poet, emerges as the Mr Big of the plot, a crooked Euro-MP called Jardine.

It is a strange story for Logue, who completes the even weirder *True Stories for Private Eye*, to find himself mixed up in it. He is kidnapped by a fat civil servant and held at a secret location which is, in reality, the Royal Agricultural Hall, Islington. Logue — whose collected

THE TIMES DIARY

There used to be jokes on the backs of matchboxes, and sometimes there still are. Bryant & May have launched for St George's Day a series of Brynmor matchboxes on the theme: "Why Britain is Great!"

Predictably many of the chosen quotations suggest that the greatness of Britain was somehow built upon matches. Thus Shirley Williams says: "Why Britain is poems *Ode to the Dodo*, were published last year — has hitherto eschewed villainy in his dramatic career, concentrating instead on religion and philosophy. His previous roles on stage and film have been Socrates, the Player King in Hamlet, John Ball and Cardinal Richelieu in Ken Russell's *The Devils*.

Hird instinct

Christopher Hird of The Sunday Times has been overwhelmingly recommended for the editorship of the New Statesman by the advisory group which has been considering candidates to succeed Bruce Page. The staff-dominated group voted six to one in his favour. The one dissenting voice, that of board member Anthony Sampson, spoke for Hugh Stephenson, former editor of The Times Business News.

The vote by no means assures Hird the final selection. When

Great Over 3 million unemployed, said Mr Hird — buy British made matches.

The idea, which will appeal to philologists and patriots alike, is not a new one. The present series derives from a matchbox written almost 50 years ago which said: "Nearly 10 million unemployed, yet half the matches used in England are made abroad and this factory is on short time. Buy British matches, which are made entirely by British Labour. Whatever makes Britain great, it is not the speed of change."

Page was appointed the advisory group's preferred choice was James Fenton. This time five candidates go forward for consideration by the board, who make the final appointment. The others on the shortlist are David Blake, economics editor of this newspaper, Stuart West of New Society, and Gus Macdonald of World in Action. Interviews are on Thursday.

Hird's proposals in his application for the post reassured the present staff that they would, if he is appointed, keep their jobs. That does not mean he would not bring changes. Included in his plans are a television version of the New Statesman on Channel 4, and a series of "alternative readings" of literary figures like Dickens, Eliot and Shelley. This last is the sort of thing he thinks might attract younger readers to the faltering magazine.

Peter Kellner, the paper's political editor, says: "It would

be a deep insult to the whole of the staff if they do not make Christopher Hird editor. It would lead to a lot of unnecessary aggravation between the board and the staff. If the SDP contingent manage to overturn the group's recommendation, so there could be more trouble ahead."

High tech Mac

Scotland, so long the victim of its haggis-fed, dram-dripping stereotype, has a new image. An exhibition at Simpson in Piccadilly drives out the view of a stag infested wilderness of misty glens and grubbing crofters, obliterating it with a shower of microchips, heavy duty robotics and telecommunication antennae.

The exhibition, opened by the Earl of Mansfield, Minister of State in the Scottish Office, is appropriately hosted by Simpson, whose associated company, Dakas, has just ordered the most advanced computerized clothing system in Europe for its factory at Larkhall in Lanarkshire. They tell me they do not see a lot of handwoven Harris tweed these days.

Young pros

Leonard Weaver, managing director of the management consultants PE International, has been musing during the celebrations of the 20th anniversary of the Institute of Management Consultants as to which other profession his own is best compared.

A vice-president of the institute, Weaver thinks management consultancy is the newest pro-

fit they do solve the crisis we'll have forgotten how to fill the paper...



fession and has much in common with the oldest.

"Our public is being queered by amateurs," he says. "Also young consultants, like ladies of the night, go in because the money is good. Once they are in they find it is not so good, but they like the variety so they stay in. And after 20 years of it they are no good for anything else."

Tea taster

PHS took tea yesterday afternoon with Sam Twining. His family have been in the business for nine generations and he knows his Lapsang Souchong from his Orange Pekoe. Teas like wines, are selected by expert tasters. They are sipped

from specially prepared samples with a tasting spoon, spread over the palate, rolled around the mouth to detect pungency and then spat out.

Twining says the green leaf teas, originally from China, are the white wines, black teas the red, and Formosa Oolong with a fragrance and bouquet of ripe peaches the rose.

A mine of immemorial information, Twining adds that on average every man, woman and child in the United Kingdom, Ireland, New Zealand and Australia drinks four and a half cups of tea a day.

He also says that tea should never be left to brew beyond its time in the pot. Use an infuser, and never a cosy without one.

So, risibly horrific do American audiences find Michael Winner's *Death Trap*, I am told, that as the moment approaches when Michael Caine and Christopher Reeves kiss each other the customers at Loew's cinema on Broadway rise in their seats and yell: "Don't do it, Superman!"

Diary quiz

From this week's news:

1. Why is Scotch on the rocks?

2. Whose porcine physiognomy won press publicity?

3. Who has written a play about an opera rehearsal based on an unfinished operatic version of a play?

Who hung on from Wales to Wilshire and broke a record for nothing else?

Answers here on Monday.

PHS

The pensions industry

Today in Bournemouth Mr Norman Tebbit, the Employment Secretary, addresses members of the National Association of Pension Funds on the economic realities confronting their £50,000m industry.

John Whitmore takes up the theme.

Pensions may not be in the public spotlight at the moment as they have sometimes been in the past. But these are still interesting days in the pensions world, as the political engineers struggle to upgrade the British economic machine.

Unless that is accomplished, our hopes of a comfortable retirement could be rudely shattered. For as the Chancellor told the National Association of Pension Funds at the Birmingham conference last May: "Our society has locked itself into providing benefits without having made the economic adjustments necessary to sustain them."

That said, it is perhaps too easy to be excessively gloomy about the British economy — and, by extension, pension prospects. The performance of the last couple of years has, it is true, been depressing. And it is also true that the prospect of the world becoming still more competitive through the 1980s would not seem to augur well for a country that has been frustratingly slower to adapt to change than many of its more successful competitors.

Yet, if one looks back over the 1970s, it is at least arguable that our economic performance has been less disastrous than is commonly perceived. In the decade to 1979 — before the recent recession started — output grew by 23 per cent in real terms and real disposable incomes by no less than 37 per cent.

Moreover, the recession itself has forced many managements to take the long overdue measures needed to keep them internationally competitive. And one hopes there are sufficient companies who see the advent of a period of rapid technological change as offering significant new opportunities for growth rather than as the likely cause of the British economy's final undoing.

But should the Jeremiahs turn out to be right, what then? There are a number of scenarios one can draw, some more threatening to pensions than others.

The worst would be our prolonged economic stagnation, or even marginal contraction. Quite apart from the fact that this would imply falling living standards, both in work and in retirement, for certain sectors of the population, it strongly suggests that benefits in general would have to be spread more thinly.

A rather less pessimistic scenario might be one in which the economy continued to grow in line with the 1970s trend — ie at just over 2 per cent a year — but with living standards stagnating as the terms of trade turned against us.

In that case nominal pension commitments would probably be met, but that would not be the end of the matter. For the implication of a steadily depreciating exchange rate would be steadily rising prices and a severe squeeze on those with fixed incomes.

In short, one would march straight back into the debate on inflation-proofing pensions — and the cost. In the 1970s some occupational private sector schemes went a long way, sometimes the whole way, towards protecting pensioners from inflation. But in the schemes used in the Scott Report exercises the average protection afforded against inflation had been running at no more than 50-55 per cent.

As the new state scheme comes into its own, an increasing proportion of pensions will automatically become inflation-proofed out of state coffers (or, more correctly, the taxpayers' pockets). But that would still leave occupational schemes with plenty to do, particularly where there was a relatively large membership with above average earnings.

Indeed, for many schemes, full inflation proofing remains an impossible commitment without a major adjustment either to contributions or the basic benefit. And that is before one comes to the question of whether or not the State would be able to keep to its own commitment on inflation-proofing.

There might have to be some re-thinking on the scope of the earnings-related element of the State pension or some redefinition of the basis for inflation-proofing. Arguably, the concept of inflation-proofing based on the movement in retail prices is ill-founded. It suggests that all those enjoying the benefit of indexation are entitled to a standard of living the country may not be earning. Sooner rather than later the Government should consider modifying the concept of indexation to allow for such factors as changes in the terms of trade, indirect taxation etc.

That might complicate what has the merit of being a relatively simple system. But it would reduce the risk of dangerous distortions in the economy and provide a better way of ensuring that the community as a whole shared equitably in any general change in the level of living standards.

A third scenario would be the one to which we tend to cling, for the paradoxical reason that the world has become so volatile that we no longer really know what to predict. This is a future in which both output and living standards remain broadly in line with past trends. In that case the emphasis will turn more to views on the rates of return likely to be available.

Here it is perhaps possible to be rather more optimistic (unless one believes in a change in government that will produce some fairly unscrupulous direction of investment). Discounting platitudes on the justice of savers getting a fair crack of



Pensioners of Reed International on an outing: an illustration from Reed Pension Trust's 1981 annual report, which was commended in this year's Golden Pension Award competition, run by the NAPP (see page 19).

the whip, the fact is that investors now have index-linked stocks, what look to be historically high prospective real returns on other government paper, and the slow rehabilitation of the concept and reality of corporate profitability.

One could produce other scenarios — perhaps of an even more optimistic nature. But for the pension funds it is not only going to be what happens to the overall economy that matters but also what happens to employment. And here it is not impossible that the best scenario for living standards could be one that minimizes employment.

Nobody really knows. Will technological change simply leave us with a permanently smaller and diminishing workforce? Or will the structure of the economy change in a way that will bring about a return to "full employment" accompanied by large redeployments of the labour force?

In the latter case there could be major changes in the relative sizes of companies and their pension funds; and that would suggest potential transitional problems, particularly as pressure mounts for a better deal on transfer rights.

In the former case, the total numbers in the population with a claim to long-term benefits would rise significantly. The idea of the school-leaver becoming a pensioner immediately is unpalatable and, hopefully, far-fetched. But a sustained trend toward a large number of people out of work or having to share work for a good part of their lives, or simply retiring early, could well have major implications for the proportion of resources to be devoted to the traditional pensioner.

How employees lose out when they change jobs

Last June the Occupational Pensions Board published its long-awaited report on *Improved Protection for the Occupational Pension Rights and Expectations of Early Leavers*. Since that date, there has been desultory debate of the report's conclusions and recommendations. But sadly it looks as though the report will suffer the same fate as most of its predecessors, and be conveniently swept under the carpet.

The problem, however, will not go away. The much increased incidence of company closures, takeovers, mergers and liquidations following in the wake of recession has massively swelled the ranks of the unemployed and redundant. These former employees suffer the double blow of losing both their job and a substantial proportion of their pension rights. While the former may be unavoidable, the latter is not.

Most of the 11,500,000 employees in company pension schemes expect to retire on a pension related to their salary at retirement date. The exact proportion of final salary will depend on the number of years the employee has been a member of the company pension scheme.

Commonly the formula is one-sixteenth of final salary for each year of service, providing a life-long employee with the maximum allowed by the Inland Revenue, two-thirds of final salary.

The early leaver — whether a job changer moving voluntarily or a redundant employee — receives frozen pension benefits based on salary at the time of leaving — clearly a much less attractive proposition. It has been estimated that an employee who changes jobs just once in his working life receives only 60 per cent of the pension benefits of those who stay with one employer.

The main recommendation of the OPB's report is that "early leavers should receive the same benefits for their years of pensionable service as their fellow members who stay in the same employment to pension age." In practice

this would mean uprating frozen pension benefits to take account of inflation in the time between an employee leaving, and retirement age.

Regrettably the OPB's recommendations were largely rejected by the pension industry's main trade organization, the National Association of Pension Funds.

Yet the Association's own statistics demonstrate just how badly legislation is needed. The NAPP's survey for 1980 revealed that 73 per cent of all occupational pension schemes give no increases at all on deferred pensions, and in the private sector, only 18 per cent of schemes improved benefits for early leavers during 1980.

Of those fortunate enough to be granted some uprating of frozen pension benefits, the actual increases granted were more than twice as good in the public sector schemes.

The NAPP's objections understandably centre on the potential cost to employers of improving early leavers' benefits. However, there are others within the industry who are embarrassed by the NAPP's apparent refusal even to acknowledge that the early leaver deserves a fair deal.

The Association correctly points out the difficulties of redistributing finite resources — "priorities once established are difficult to change and can only be changed to the advantage of one section at the expense of another." But this ignores the fact that most employees become early leavers at some point in their career.

The NAPP has centred its criticisms of the OPB's proposals on the possible extra cost to employers, choosing to ignore the simple compromise of diverting any future improvement in pension benefits towards a fair share of the pension cake for early leavers and pensioners, rather than uprating benefits for stayers. This would cost employers nothing.

And its view of pensions is positively feudal. "What the NAPP deplores is the implicit assumption that in some way early leavers are not getting normal justice, that they are being denied rights," says the NAPP.

"We know that some early leavers are genuinely surprised to discover the consequences of their move in pension terms. Normally the employer invests a great deal in recruiting and training and would hope to amortize this over a period of years, possibly over something approaching a full career."

This outdated attitude towards employees and their pension fund entitlement persists in some firms, but in today's climate of forced redundancy and high unemployment, the unfairness of this approach becomes increasingly apparent.

The OPB in its report is quite clear about the poor chance of employers voluntarily improving the plight of early leavers, saying they "feared voluntary action would be too slow in achieving adequate and widespread improvements and the board agreed on the need for some statutory action to require these increases." The board is, however, split on how far employers should be forced by law to uprate the frozen pension benefits of early leavers.

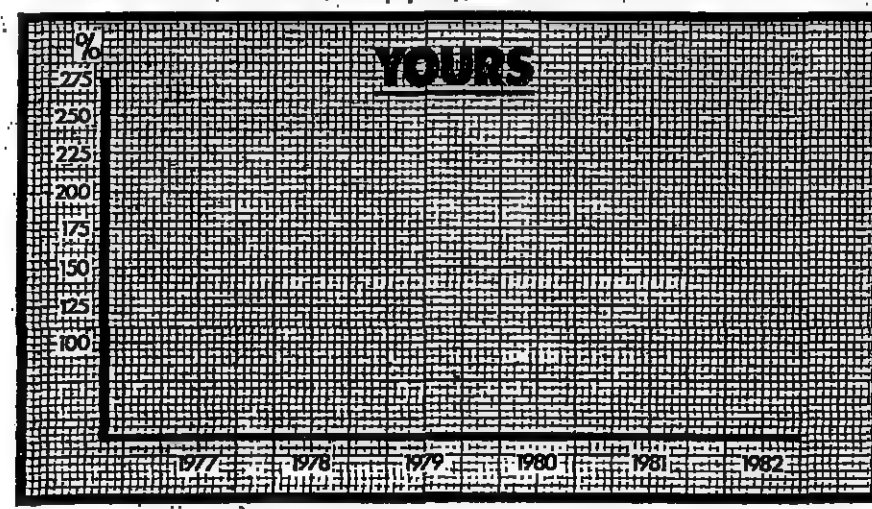
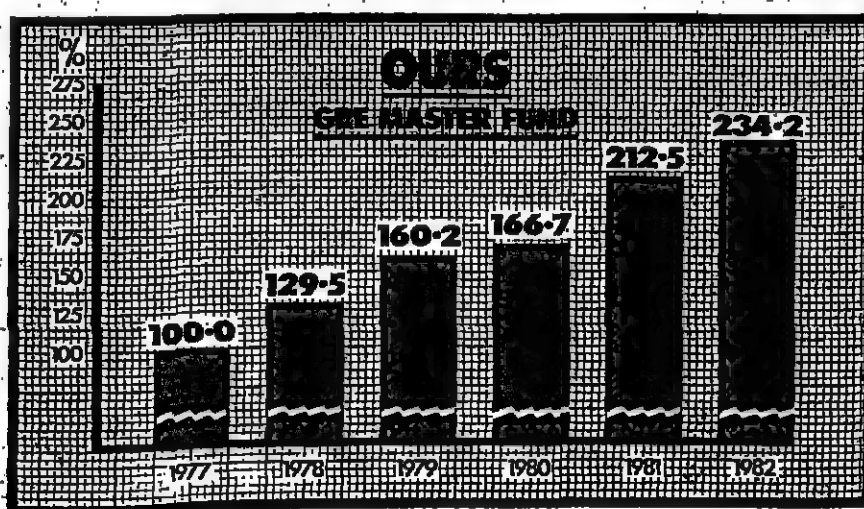
Most of the board opted for increases each year in line with average earnings up to a maximum of 5 per cent compound a year. A minority on the board wanted mandatory increases in line with average earnings — or if a statutory ceiling were imposed it should be at least 8.5 per cent a year.

At the moment, the debate on early leavers' pension rights has gone cold.

The one glimmer of light has been the acceptance by the Inland Revenue and the OPB of a new pension scheme set up by Insurers London and Manchester which offers early leavers the facility to take a transfer value from an occupational pension scheme and invest it in a personal pension plan, thereby enhancing the benefits paid on retirement.

If more insurers follow suit, the pension funds may be forced to improve deferred pension benefits, to prevent all their early leavers from taking a transfer value and massively depleting the funds' resources.

Lorna Bourke



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PENSIONS

Odd man out overdue for reform

"To most people the investment made by or for them in a pension fund is, apart from their home, the only substantial investment that they will have. ... Of all investments it is, perhaps, the least regulated." So writes Professor Jim Gower in his recent report on investor protection, ordered by the Government last year through the Department of Trade after the collapse of a number of investment management groups, most spectacularly Norton Warburg.

Professor Gower says in his report that a full-scale discussion and suggestions for the revision of the law governing pension funds is beyond the scope of his review, which sprang from the need to update the aged Prevention of Fraud (Investments) Act. But he clearly thinks that pensions are now well overdue for a legislative overhaul and outlines several of the existing anomalies.

"There is no specific statutory regime for pension funds", he reports. "They depend simply on the law of trusts. ... Whereas unit trusts are subject additionally to rigorous regulation, pension funds are not." The Occupational Pensions Board, Gower points out, has a limited role. "Apart from these checks the only protection of the beneficiaries is the possibility of suing the trustees for breach of trust."

The idea of legislation for the pensions industry is not new. The Wilson Report, quoted by Gower said: "The framework within which the pension funds operate has grown piecemeal and now needs to be systematized and strengthened. It is unsatisfactory that so much of it should depend on a body of trust law developed for quite other purposes."

In a nutshell the argument is that there is one of the biggest, if not the biggest financial industries in the country, more often than not permitted to demand a proportion of employees' earnings as contributions; yet there is no tailor-made legislation or regulations to police it. The pensions industry is the odd man out in a world where other forms of collective investment are tightly controlled.

Predictably, many in the pensions industry — but by no means all, are against the idea of any special legislation. At last year's annual conference of the National Association of Pension Funds in Brighton, Mr Maurice Oldfield, chairman of the NAPF, pointed out that during the 58 years of the association's existence no pension funds had gone bust, although many companies had done so.

This, it should be pointed out, is no thanks to the NAPF, which does not necessarily scrutinize the books of its members and has been noticeably backward in instituting rules and regulations among its members. However, it did institute a code of practice on information to members of pension schemes in 1980.

It would be impossible to imagine a situation where a pension fund goes spectacularly bust like Norton Warburg — the fund is restricted on how many of its investment eggs it can put in one basket and precautions are taken against the obvious hazard that pension funds go bust alongside the company it is attached to.

The source of most discontent is the relationship of the members to the fund. The fact that while they are often forcibly herded into occupational pension schemes (joining the pension scheme is frequently a condition of employment) they have, in law, very few rights.

There is no statutory requirement to tell pension fund members very much about their money. The NAPF encourages its members to furnish fund managers with regular and understandable information. Perhaps the best way of

showing the deficiencies is to look at what a pension fund member can do if he does not like some aspect of fund policy in benefits. While pension funds have inclined in recent years to take notice of the political implications of their investment policies — on South African holdings for instance — and have often nominated a token trade unionist as one of the trustees, members have had little influence on benefits.

If a fund makes dreadfully unprofitable investments there is nothing the member can do unless the fund managers have breached the trust deeds. That is difficult to prove. Some people have persisted and won — most notably in the case of Evans v London Cooperative Society.

One reason why pension managers are terrified of any legislation beefing up members' rights is what happens in the United States. Where lawsuits are frequently and often frivolously launched against funds that have under-performed. Even those who think we should have pension fund legislation in this country want to avoid that situation.

By and large realistic increases in pensions in payment are at the discretion of the trustees of the pension fund. This, and the fact that early leavers are generally discriminated against, is a very grey area. Strictly speaking, under trust law all beneficiaries should be treated the same — that is the original concept. In practice, this does not seem to be the case with regard to pension funds.

Who is to regulate the fund managers? In the City there is a confusing variety of codes which Professor Gower would like to see incorporated into new legislation. There seems to be absolutely no reason why the pension fund industry should not be included.

Margaret Drummond

Cruising confidently in neutral

"Our aim has been to maintain confidence", said Mr Norman Fowler, the Social Services Secretary, in the Commons on March 23. He was moving the adoption of the orders relating to the first review of the contract-out terms established under the provisions of the Social Security Pensions Act 1975.

In responding, the Opposition spokesman, Mr Brynmor John, admitted that "none of us understands fully what has happened", and he went on to suggest that "a simpler formula must be found".

Mr Anthony Newton, the newly appointed Parliamentary Under-Secretary, made the encouraging observation that "we have not closed the door on any further consideration of the arrangements". His observation will doubtless be responded to positively and constructively by pensioners' practitioners.

But what does all this really mean? Mr John's admission was correct — even those of us devoting our lifetime work to this subject find many of its intricacies fearfully complex — but in asking for a simpler formula, he may well be seeking the impossible. Hopefully, however, a more equitable long-term formula can be found for the buy-back terms.

The Secretary of State confined himself to principles and political considerations, knowing that if he got this review wrong the repercussions could be formidable. Clearly Mr Fowler's aim is right, and in moving the adoption of the orders, he referred to representations made to him by the influential Occupational Pensions Scheme Joint Working Group (JWG), and to their emphasis on the need to maintain confidence if the status quo was to be retained. There was, in the event, general agreement that the terms of this, the first of the quinquennial reviews under the statute, should be neutral in effect.

Neutrality is not capable of precise definition, of course. Some have claimed that a revised abatement of NI contributions of 6 per cent is neutral while others have advocated 6½ per cent. It is perhaps unsurprising that the result is 6¼ per cent.

Such a compromise can in no way undermine confidence. It is highly unlikely that any company would wish to consider the trauma of altering its 1978 decision on the basis of the difference in its share of a quarter per cent abatement of relevant earnings — especially as its distribution is marginally in favour of the employer's

contributions at the expense of the employees.

The buy-back terms are another matter. These are the terms on which a contracted-out employment can cease to be contracted out and the members of the appropriate scheme bought back into the state scheme. It can be argued that these terms are largely irrelevant, if the decision to contract-out was validly made on a long-term basis.

Importance only if unforeseen circumstances arise. Even then, there is no compulsion, on ceasing to be contracted-out, to buy back into the state scheme, although it will be desirable for trustees to know they can do so. For instance, if the actuary were to express concern at his ability to sign a solvency certificate, the trustees would find themselves in an embarrassing position.

Nevertheless, the new terms to apply from April 6, 1983, for the period 1983/88 are worse than those now operating. They are only marginally better if the economy is really moving according to forecasts, with interest rates (and inflation) moving down into a tolerable area.

They are significantly worse if we are to remain in the higher interest realms of the last four years; and it should, anyway, be recalled that we are measuring the change against terms that have turned out, because of exceptionally high interest rates, to be more generous than foreseen. A reasonable balance has to be kept between those who are contracted out (approximately 45 per cent of the working population) and those who are not (approximately 55 per cent).

"Pensions" practitioners, through the JWG, foresaw the coming difficulties. In May 1981 they took the initiative of placing before the then Secretary of State their own review of the contracting-out terms. This was followed by the Government's "Contracting Out" memorandum in August on which his report to Parliament would be based. The response to that memorandum made it clear there were differences of opinion. Further consultation took place, but by then the timescale for dialogue had become impossibly short, and when the orders were finally laid a quite different adjustment to the buy-back terms was tabled.

Nevertheless, it has been made abundantly clear in Parliament that the Government is open to further representation, and indeed to change if a reasonable

alternative is brought forward for its consideration. The last-minute change to the buy-back terms may no prove to be serious, especially as the new terms are to be phased in over a period of five years. Their full impact will not be felt until 1987/88 — by which time it may be only minimal; long before then the terms will have been subjected to the most detailed scrutiny, perhaps leading to further change.

There will be prophets of doom who, for their own reasons, will regard the latest review as an opportunity to undermine the status quo. There will also be confused thinking by, for instance, many US-owned companies, in trying to pursue their philosophy of integrating their own pension provision with the social security system of the country in which they are operating, which still fail to understand that the most effective form of integration in the UK is through contracting-out.

Some companies will continue to consider contracting-out the wrong option. But in describing as a "major success" the fact that some 90 per cent of members of schemes are contracted-out, Mr Fowler has underlined that option, frequently selected after consultation with unions, is a welcome one. It will be a very brave employer (or perhaps a remarkably foolish one) who will seek to overturn his previous decision on the basis of this review.

In the debate in the House, both Mr Brynmor John and Mr Robert McCrindle took the opportunity to feature the apparent failures of occupational schemes. We can only hope that they, and others, will eventually realize that these criticisms have little to do with the construction of such schemes. They have everything to do with the deployment of limited resources and the ordering of priorities.

There is no reason to suppose that confidence has been undermined. To the extent that employers (and employees) see in it a direct financial gain, this review should certainly be used as an additional resource to ameliorate the position of early leavers and pensioners. But there is a lot more talking to be done with the Government over the buy-back terms.

Derek Bandey

The author is president of the Society of Pension Consultants and chairman of the Occupational Pensions Scheme Joint Working Group.

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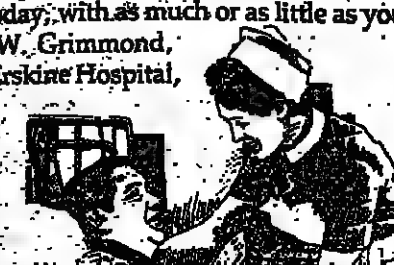
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Index linked: why the good news looked bad

Ironically, the week many fund managers may most readily recall about the maiden year of index-linked government securities will be the one in which they made (or could have made) a 10 point killing in these stocks.

That, of course, happened in the couple of days after the Chancellor announced in his recent Budget that index-linked gilts would in future be available to all comers and not just to pension funds.

For the first time one was able to see the enormous gearing inherent in these stocks come into its own. The sudden change in circumstances that led the market to change its perception of the appropriate real return from one of around three per cent to one of around 24 per cent produced what has been some of the sharpest short-term movements in government bonds ever seen.

Yet initially this very surge in prices looked to be potentially very bad news for pension funds for the longer term. After all, the argument that had originally led the funds to push the yields up to three per cent had not changed — the argument being that the stocks should offer at least a small premium over the long-term trend of a two per cent per annum increase in real wages.

So, with yields down to 24 per cent or so, was the premium getting too small, even allowing for the "certainty" value of the stocks?

The answer is probably yes, though it is not that simple. For what happened when the Government offered its first restricted stock was that the pension funds sat on the sidelines, and so did everyone else. The big new demand that had been expected failed to materialize.

Since then the yield has dropped back to around 24 per cent; the funds can probably take the view that for the moment at least they are back in the driving seat, on the assumption that the Government would like to

make further issues of such stock in the new financial year.

This does not mean that non-pension fund demand might not appear in size at some future stage, though if the Government does want to issue, say, £2,500m of new stock per year, then it would have to be in some size to make a significant impact on the yield. That demand would be most likely to appear as inflationary expectations started to worsen, with buyers possibly coming in as soon as they felt that the exchange rate risk of worsening inflation had been largely discounted.

Apart from interest in the index-linked stocks as investments in their own right, the advent of the ILs has also provided a useful benchmark for comparing other kinds of investment. To the extent that this has helped crystallize thoughts on investment strategy, and possibly to modify them in some instances, the impact may well be working its way through to relative prices in the marketplace itself.

But here one is on much more tentative ground. Take, for example, the conventional fixed-rate gilt-edged market. Real yields are historically high at the moment — certainly they are far higher than one would have expected, given the official forecast of inflation at around 7½ per cent by this time next year.

One cannot ascribe this phenomenon solely to the availability of index-linked stocks. Quite clearly, the explanation lies largely in the absence of exchange controls and the even higher real yields offered by US bonds.

Even so, it seems likely to believe that in more normal times the existence of index-linked stocks is bound to prevent gilt-edged yields moving towards zero (or less) quite in the way they have tended to in the past.

The linkage here will probably become more evident over time. Given the vagaries of the yield it may possibly become more apparent than any relationship with share and property yields.

Leaving aside the influence of index-linked stocks, the other major factor in the fund's investment thinking has continued to be the increased weighting given to overseas investment.

As 1981 wore on the signs seemed to be that the first great wave of overseas portfolio investment in the wake of the abolition of exchange controls in October, 1979, was beginning to subside. Pension funds had on average probably doubled their overseas weighting, from around five to closer to ten per cent — the shift in portfolio balance over so short a period obviously absorbing a far greater proportion of total cash flow.

This was precisely the kind of thing the Government hoped they would do, both to help hold down the exchange rate and to build up a new source of income for when North Sea oil starts to run out. The fruits of that increased investment overseas are now starting to come through quite strongly in terms of overseas earnings.

Whether the funds will want to take that present weighting much higher, in view of the fact that the bulk of their liabilities are in sterling, remains to be seen.

The increasingly lacklustre performance of the US economy and the possibility that increased protectionism might slow down the Japanese growth rate might for the moment argue against stepping up the overseas weighting. But it is not inconceivable that the weighting could push up towards 15 per cent over time, and that would again imply a rather greater percentage of net cash flow finding its way overseas rather than in into UK markets.

Perhaps the day will yet come when UK investment managers start casting a closer eye over golden handshakes, service contracts etc in major foreign firms.

John Whitmore

Housing attracts investment

The Building Trust, launched in January this year and chaired by Sir Monty Finniston, is a pioneering venture into what is, for pension funds, largely uncharted territory: the provision of loans for private home purchase.

Funds supporting the trust, which has an authorized capital of £100,000, include Marks and Spencer, Allied Breweries and the Post Office Superannuation Fund. In the following article, Robin Ellison, a solicitor and the trust's managing director, explains its philosophy and looks at prospects for expansion in the same field.

Investment in housing usually means either rented property, building societies, mortgages, or speculative mortgages. Each has had its drawbacks for pension fund trustees. Rented property has been surrounded for a long period by legislative control and political activism and has caused a sour taste in the mouths of many major institutions. Building society mortgages, even today, give too low a rate of return compared with what the market can offer. Speculative housebuilding is a somewhat risky form of investment, unable to satisfy the trust requirements of most pension funds.

Coupled with the difficulties of administration of mortgage portfolios, these drawbacks have deterred almost all pension funds from lending on housing — government figures last year indicated that only £1m of the £70,000m assets of funds were allocated in this way.

Now there seems to be a reversal of trends. The attractions, in principle, of investing in housing are obvious — a good return coupled with unparalleled security. In practice it seems that the only way in which pension funds can satisfactorily help to alleviate the insatiable demand for private housing is by providing mortgages.

Trust law suggests that mortgage are a wholly satisfactory form of asset for trust funds. The experience of the Depression showed that even in the worst times, mortgagors were determined

to keep making their payments in this respect mortgages proved to be a more secure investment than government stocks. And the Trustee Investments Act 1961 emphasized, by classifying mortgages as a "narrow-range" investment, that such an investment was clearly beyond criticism, unlike some other currently questionable forays into works of art, or overseas property.

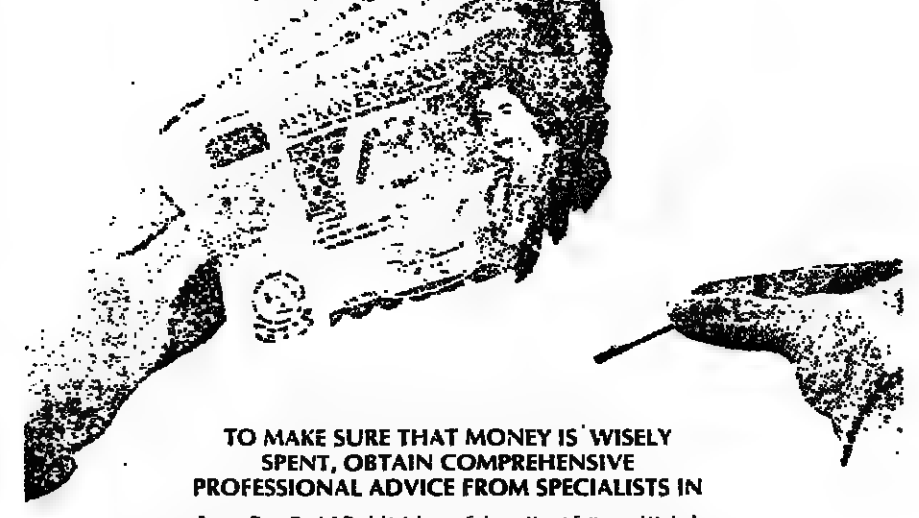
Secondly, investment managers have been uncomfortably aware, even in current times, that perhaps the best investment they have made has been their own home. Until recently, however, they have been unable for practical reasons to invest in the housing market. The recent Henderson bond, not restricted to pension funds, which invests in up-market property in the London area (currently subject to the greatest pressures) shows that there is a demand to invest in housing. And recent studies of long-term house price trends indicate that house prices will soon start to climb again.

Thirdly, the long-term nature of pension fund liabilities is neatly matched by the long-term nature of most mortgages. Although mortgages are commonly expressed to be for 25-year periods, in practice the average redemption period is about seven years; and in the United States, where mortgages are a conventionally marketable security sold on exchanges the market, which exceeds that for Treasury Bonds, treats them as "10-year" money.

Immense political pressure is being placed on pension funds by the present administration. The Financial Institutions Group (FIG), established by Michael Heseltine last year, after the inner-city riots, has proposed an "Equity Mortgage Corporation", a body designed to take money from institutions and invest it with building companies and housing associations.

FIG has also suggested that there might be support for a "Government Housing Bond". While previous initiative in this field, including pension fund investment in "shared-ownership" schemes, have been rejected by the institutions, it may be a matter of time before one of them is accepted. All such schemes need to satisfy the requirements of pension fund trustees and investment managers and to offer a market rate of return. They also need special mechanisms in order to compete with the semi-subsidized rates offered by building societies.

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Prudential

Closer look at the figures

The complexities of pension funds may baffle the financially unsophisticated, but actuarial statements can hardly rate bedside reading even for the investment professionals. It is hardly surprising, then, that for years most companies with occupational pension schemes felt no burning desire to communicate with members.

Employees, it was thought, wouldn't understand a pension fund report, even if they were interested enough to want to read it in the first place.

Although pension fund members have few statutory rights to regular information, and the practice of sending out reports to them automatically is by no means universal, communications are improving. Two years ago the National Association of Pension Funds (NAPF) instituted the Golden Pen awards for pension funds which submitted the best reports for members.

Yesterday the NAPF announced the winners for 1982. The judges were Mr Henry James, director general of the NAPF; Mr Myles White, head of pensions and social services, General and Municipal Workers Union; and Mr Charles Sleight, chairman of the accounting standards committee's working party on pension funds and accounts.

There are three categories of award. First, the formal pension report and accounts for funds with over 500 members. This includes a breakdown of investments, details of the assets and liabilities of the fund, an actuarial report and possibly a separate valuation for the property portfolio.

The second category, perhaps of more interest to the millions of employees and pensioners, is the popular trustees report to members. Small funds with less than 500 members have a separate category of their own.

Few employees will want to wade through tons of figures, so the popular trustees report is probably the one that will be most widely read. The three Golden Pen judges chose the BICC Group Pension Fund as the 1982 winner in this category.

Along among all the winners or runners-up, the BICC report consists of four pages and is printed on glossy paper. Tabloid in format, it is generously illustrated and includes well-designed tables and a financial breakdown. It is also printed in big bold type — why do editors of house journals and newspapers always seem to think that the workers are short sighted?

The report's great virtue is that it manages, the nearly impossible — explaining important points about the fund to the layperson without being confusing or boring. It also includes practical information: how to apply for early retirement pension, how to get the Government's relaxed age restriction, and how to make additional voluntary contributions. There is a clear illustrated account of the money that came in and out of the fund and where it went, a review and breakdown of investments, and a short but clear actuaries' report.

There is an effort to humanize all that money. But I doubt if anyone at BICC will take the company up on its suggestion that they should visit the untidy pile of cigarette boxes in Shrewsbury ("this handsome building") that forms part of the fund's property portfolio.

Do members really relish this sort of thing — or indeed the little property pep talk delivered by the fund's property consultant on the back page? With his advice that "quick decisions are important... as there are other potential buyers seeking good property" he would appear to be addressing the managers of the pension fund rather than its members.

Runner up in this category was the National Coal Board's effort, which the judges held to be a "model of exposition." They praised it for the way it summarizes retirement benefits and gives details of where members can get fuller explanatory leaflets.

In the formal category Tate & Lyle came top. It is the only report among the winners and runners up that compares the fund's latest annual performance against another performance measure. It gives a clear breakdown of the fund, a statement on investment policy and performance (and also rather rare) the phone numbers and names of the people who administer the scheme. Pension funds usually seem so faceless.

Debenhams were runners up in this category and the Reed Pension Trust (one of last year's winners) and the British Airways Pension Scheme were both commended.

Among the small funds (less than 500 members) the Reardon Smith report was the winner. Its 10 stapled pages are plain, austere even. Judging from that and the commendation report of the University of York Pension Fund (last year's winner in this category), brevity and simplicity are expected of the small funds.

The Reardon Smith effort packs in the detail, despite its size, but the University of York report strikes me as infinitely better looking. The way it uses simple clear illustrations to show the fund's investment and financial situation is much more effective than mere rows of figures.

Margaret Drummond

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Stock Exchange Prices

Lack of interest

n, April 19. Dealings End. April 29. § Contango Day, April 30. Settlement Day, May 10.
§ Forward bargains are permitted on two previous days.

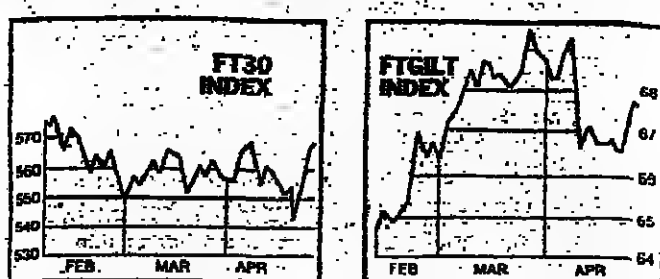
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BUSINESS NEWS

Share prices falter



After their good run so far this week share prices ran into more resistance yesterday, and were not helped by cautious remarks from ICI on current year prospects. Up 2.4 points at 10 am, the FT index drifted for the rest of the day and closed with a net gain of 1.6 at 569.3, a rise of 18.3 points so far this week. Gilt-edged prices responded to firmer money market rates and with investors reluctant to open fresh positions before the weekend.

British Aerospace deal

British Aerospace is to buy Sperry Gyroscope for £45m in cash. A down payment of £4.5 has been made and the balance is to be paid next month. Sperry, owned by the Sperry Corporation of the United States, was established in the UK in 1913 to make gyro compasses for the Royal Navy. It has recently designed and developed Britain's first laser gyro inertial navigation system.

Business Editor, Page 23

ICI hints at redundancies

Substantial redundancies in the plastics and petrochemicals division of ICI were strongly hinted at yesterday by Mr John Harvey-Jones, the new chairman. Addressing his first annual meeting of shareholders, Mr Harvey-Jones said economic recovery had been delayed, and the future remained uncertain. Radical rationalization, including plant closures, was essential, but the company was not getting out of Britain.

Jobs to go, page 22

Rise in EEC steel output

European Community steel production rose to 31.9m tonnes in the first three months of the year, almost 3 per cent up on a year earlier. Output in the United States, which has begun moves to restrict imports of steel from Europe, fell by 29 per cent in the first quarter to 20.5m tonnes, according to figures from the International Iron and Steel Institute.

SE opposition

Sir Nicholas Goodison, Stock Exchange chairman, has criticized proposals on indexation of capital gains tax. The measures, seeking to remove the inflation tax on the value of capital assets, are in the Finance Bill which entered the committee stage yesterday.

MARKET SUMMARY

Spotlight on oil

LONDON EXCHANGE

FT Index 569.0, up 1.6
FT 100 57.07, down 0.10
All-Share 325.90, up 1.46
Bargains 15,210

Political uncertainty continues to keep trade quiet in all sections of the stock market but there is an underlying 'firm tone' which helped the FT index to a 1.6 rise to 569.0, an advance of 18.3 on its account of 18.3.

Gloomy comments on trading from Mr John Harvey-Jones, chairman, clipped 4p from ICI while other blue chips edged narrowly mixed with Glaxo unchanged at 631p after the recent dramatic rises.

The spotlight was firmly on the oil sector after the Opec decision to cut production and there were double figure gains for leaders with BP up 12p at 310p, Shell 14p better at 402p, Lazard up 17p at 339p and Ultramar climbed 10p to 169p.

Trade in the gilt market remained thin, with upward pressure on short-term money rates leaving falls of 2% across the board.

Greycoat Estates proved it is a force to be reckoned with in the property world with its £36m take-over last year of City Offices, and substantial buying pushed the share up 5p to 142p — a rise so far this week of 12p — with a decision due soon from the Environment Department on its Coln Street development proposals.

COMMODITIES

● Heating oil futures: hit their highest prices for three months in record trading volume. Material for delivery this month gained \$5 a tonne to \$284.50, and the May contract was \$10.50 higher at \$299. The volume was 5,115 lots.

Dealers said that three factors contributed to the upsurge. One was stronger prices and activity in New York, where gas oil stocks are low. Political tension, notably in the Middle East, also raised prices. But the most influential factor was the news that Opec output had fallen to 15.8m barrels a day.

Rotterdam spot oil prices responded to the same influences, gas oil for immediate delivery putting on about \$7 a tonne to \$285-287.

● Elsewhere on the London Commodity Exchange, cocoa prices fell sharply. Dealers' belief that some west African producers would sell cocoa pushed material for delivery this month down by £26 to £891 a tonne, while May cocoa lost £21 to £919.

TODAY

Board meetings: Interim: S. Casel, Lowland Investment Co, TV South-West, Female, Aulobona and Sons, Amalgamated Metal Corp, Bentalls, Futura Holdings, F. Miller (Textiles), Richardson Westgarth, Savoy Hotel, Solicitors Law Stationery Society, Scottish Northern Investment Trust.

Economic statistics: Retail price index (March), tax and price index (March), new vehicle registrations (March), sales and orders in engineering (January).

Producers still gloomy over world prices

£800m N Sea oil project abandoned

Shell and Esso, announced yesterday that they have abandoned plans to develop the Tern oil field in the North Sea, an £800m project that could have provided job security for hundreds of workers in Scotland's crisis-hit offshore construction industry.

The consortium also said that it had given up any hope of developing the Elder field, another sizable oil discovery in the same part of the North Sea, in the foreseeable future.

Shell, the lead partner, blamed three factors for its decision not to proceed beyond the initial conceptual engineering phase of the Tern development. They were:

- The technical risks involved in the project.
- The deteriorating outlook for world oil prices.
- What it called "the onerous tax regime" in the North Sea.

Tern due on stream in 1987 lies in 550 feet of water about 100 miles north-east of the Shetlands and contains an estimated 140 million barrels of reserves. The Elder discovery has an estimated 120 million barrels of reserves.

The decision not to proceed with either development underlines how dramatically the economics of North Sea oil development have changed in the last year, and was a bitter blow to the offshore platform construction industry where nearly 2,000 redundancies have been announced in the last three weeks as a result of a drying up of major North Sea oil development orders.

Although Shell and Esso have warned publicly in the last few weeks that the Government's refusal to cut North Sea oil taxes would hit future development plans, tax is not the most important reason behind yesterday's announcement. Tern was a high cost development even by North Sea standards, with a complex geological structure that would have required a large number of



water and gas injection wells to boost oil flows. Officials at the Department of Energy emphasized yesterday that Tern had been postponed rather than necessarily abandoned for all time, and noted that the field's economics had improved by a marginally improved by the oil tax changes in the last Budget.

The fact remains however, that fields of over 100 million barrels of reserves in the North Sea were until recently considered to be generally economically viable. Most recent discoveries in the North Sea will be smaller than 150 million barrels, so the Tern decision which implies that virtually every find will be marginal from now on could make a turning point in the history of the North Sea.

One casualty of the Tern decision will be Foster Wheeler, the engineering construction company which was in line to win a £40m contract to provide project services for the development. The move means that the partnership, which operates six of Britain's 20 producing North Sea oil fields, now has no further developments of its own in the pipeline.

Saudi output cut further

By Our Energy Correspondent

Saudi Arabia is continuing to produce less oil than its official production ceiling in its efforts to prevent the Organization of Petroleum Exporting Countries having to cut oil prices, Shaikh Yamani, the Saudi oil minister, said yesterday.

Last month Saudi Arabia, the largest single Opec producer, put out 6.7 million barrels a day against its ceiling of 7.5 million said Shaikh Yamani, and this month output is again falling short, by an undisclosed amount, of the new and lower ceiling of 7 million barrels a day.

Meanwhile, Dr Mana Said Oteiba, president of Opec, confirmed that the organization would give financial aid to Nigeria to help overcome the disastrous slump in its oil sales as a result of the overpricing of its oil.

In Nigeria, Mr Shehu Shagari, the country's president, has withdrawn his Budget bill only hours after it was passed by parliament and will submit a new proposal along a line with depleted oil revenues.

But at the same time Nigeria is raising \$240m on the Euro market to finance a railway between Umuahia and Enugu. The credit will be for eight years and will carry interest of 7 per cent over the London Interbank Offered Rate.

Nigeria is regarded as the weak link in Opec attempts to underpin oil prices. Its oil production is thought to be between 800,000 and 900,000 barrels a day, well below its Opec quota of 1.3 million barrels.

And some oil companies have refused to buy Nigerian oil at the official price of \$35.50 a barrel when they can obtain similar quality crude from the North Sea at \$31.

The West German Export Trade Federation yesterday warned companies not to increase trade with Nigeria, whose "demand for foreign goods is larger than its 'exporting ability'".

Kuwait's finance minister has warned that the country faces a traumatic financial squeeze unless it can boost oil exports or trim its hefty public spending programme. Agency reports quoted the finance minister as saying that Kuwait would "go bankrupt" in four years if present trends continued.

PSBR well within forecast for year

By John Whitmore

The public sector borrowing requirement in the financial year just ended under the Government's original estimate of £10,600m by £2,000m.

Moreover, the undershoot in the underlying PSBR was still greater. When the Treasury published separate figures for the central government borrowing requirement earlier this month, it estimated that the impact of last year's civil service dispute on tax revenue had been to raise the CGBR in 1981-82 by about £750m.

On the face of it, the PSBR out-turn could suggest that the Government's fiscal policy last year was tighter than it perhaps needed to be, or at least was intended to be.

However, the PSBR is

GUS bid 'a rescue'

By Our Financial Staff

Great Universal Stores, the mail order giant which is bidding £23.75 for the Stores (Bradford), is preparing to argue before the Office of Fair Trading that the bid should not be referred to the Monopolies Commission.

Both hope to convince the OFT that GUS's agreed offer of one of its shares and 16p cash for every six Empire shares, is more of a rescue of the smallest of the mail order companies than an attempt to increase its domination of a market sector.

Government inaction under attack

Women's pensions 'still unfair'

By Lorna Bourke

Successive governments have ignored inequalities between men and women in pension schemes, Baroness Lockwood, chairman of the Equal Opportunities Commission, said yesterday.

In a speech highly critical of governments' attitudes, she said: "If a fraction of the energy and sophistication which is now deployed in developing more and more ingenious arguments in favour of the status-quo were to be deployed in working out the details of the solutions — whose outlines are clear to all concerned — I believe there is no reason why the problem could not be solved within the lifetime of this Parliament."

Baroness Lockwood called on the National Association of Pension Funds — at its annual conference at Bourne-mouth — to sponsor a "state of the art" report on occupational pension schemes in respect of the treatment of men and women members.



Baroness Lockwood: Britain "out of line"

Ex-broker on theft charges

Mr Gerald Charles Bowyer-Tagg, former senior partner in the crashed stockbroking firm Norman Collins, is due to appear in court on remand in July facing two charges of theft and one of falsifying accounts. The total sum involved is £50,000.

He was arrested at Heathrow Airport on Monday by City of London Fraud Squad officers, appeared in court on Tuesday and was remanded on £25,000 bail until July 20.

Until February last year Mr Bowyer-Tagg was the finance and administration partner of the two-man stockbroking firm Norman Collins. But on February 3 the firm was "hammered" by the Stock Exchange Crying after it was revealed that it could not meet its bargains. Debts were estimated at around £1m.

Mr Bowyer-Tagg was declared a defaulter and expelled from the Exchange where he had been a member since 1974. The hammering was the first for five years. But four months later it was followed by the collapse of Hedderwick, Stirling Grumbar, into whose Government Securities dealings the Fraud Squad had already been investigating. Hedderwick went down owing £6m.

Fresh hopes of buyer for De Lorean car plant

By Robert Rodwell



Sir Kenneth: did not know backer's identity

The Government backed De Lorean sports car plant in West Belfast appeared on the brink of being salvaged yesterday.

For the past six weeks the 1,500 employees at the company, which is in Receiver-ship, have been working a one-day week producing 35 to 40 cars which have been stockpiled.

Yesterday, as the workforce expected the shutters to be pulled down on the venture, union officials met joint Receivers, Sir Kenneth Cork and Mr Paul Segwell, and were told that the legal action in New York between the Bank of America and Mr John De Lorean's New York-based marketing company, which had been blocking sales of more than 2,000 sports cars stockpiled in the United States, had been settled out of court.

The Bank is to release those cars on which it has a charge, in respect of loans granted to Mr De Lorean's company and these will now be forwarded to retail dealers.

In addition, it is expected that 1,000 cars will be bought or leased almost immediately by the coast-to-coast Budget-Rent-A-Car chain.

Sir Kenneth said that within the last few days proposals for financing further production and for the acquisition of the Belfast factory had been received from Mr De Lorean. These provided the basis for an agreement and were being studied and while discussions continue jobs at the Belfast plant will be safeguarded.

He admitted that he did not know the identity of Mr De Lorean's new backer but said that his lawyers were in negotiation with those operating for the unnamed financier.

If a firm agreement resulted, Sir Kenneth said, his impression was that the new backer, rather than Mr De Lorean, would be very much in charge of both the American and Northern Ireland companies.

Meanwhile, production is to continue at least until the end of May. The Belfast company has itself concluded the sale of 200 cars which have been stockpiled at the city's docks.

The revenue from this sale has given the Belfast operation scope for a few more weeks above and beyond the £5m provided by the Northern Ireland Office for the Receivers as interim finance when the company collapsed in February.

It is understood that the destination of these cars is the Middle East — the first market outside the United States where the stainless steel sports car has been sold. Fifty were shipped from Belfast a few days ago bound for Kuwait and Dubai.

Sales to the Middle East can be started immediately as cars with United States certification are acceptable there.

The marketing of the presently left-hand drive cars in Continental Europe cannot begin until some minor re-engineering to meet European standards has been done, while no right-hand drive model for the United Kingdom and other markets has yet been developed.

Poles want new terms on debts

By Peter Wilson-Smith

Western banks will have to agree to delay interest as well as capital repayments on Poland's debts if agreement is to be reached on a 1982 rescheduling, it was indicated in London yesterday.

Mr Zygmunt Krolak, commercial counsellor at the Polish Embassy, said it would be necessary for commercial banks to adopt a similar line to Western governments which agreed to reschedule 90 per cent of the interest due in 1981 as part of the 1981 rescheduling terms.

Poland is due to repay \$10,000m (about £5,650m) in 1982 of which \$3,000m is interest. Mr Krolak said Poland's ability to repay part of the interest would depend on whether new credit was available so that Poland could buy spare parts and raw materials to restore its economy.

Although production was 10 per cent down in the first quarter of 1982, compared with the 1981 first quarter, Mr Krolak said the rate of decline had slowed and output and exports in the mining industry had improved. However, increases in foreign exchange earnings from these sources would have to be diverted to buying spares and materials for industry.

The target for hard currency earnings in 1982 is \$6,000m and a positive balance of trade with western economies is expected for the first time since the early seventies.

Mr Krolak pointed to extensive moves towards reform of the economy including new pricing levels, the introduction of market forces in the economy and moves towards the decentralization of planning.

Western bankers are unlikely to take kindly to the idea of rescheduling interest payments. Talks have not yet begun on a 1982 rescheduling because of the refusal of governments to negotiate through the Paris Club until military rule had been relaxed in Poland.

Polish officials are expected to meet bankers in London next month to tie up the technical details of the 1981 rescheduling but it is not clear whether 1982 rescheduling will also be discussed.

Poland is already seriously behind on the interest payments originally due in 1982 and bankers believe there could be serious consequences if payments on the rescheduled amounts are not met.

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HIGHLIGHTS OF 1981

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- *£3 million invested in new buildings, plant and vehicles, including completion of the Kidlington juice factory
- *Total borrowings reduced by over £1 million

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Turnover	55,894	49,479	41,638	29,119
Profit before taxation	3,300	2,156	2,279	1,490
Profit after taxation	2,448	2,480	1,731	921
Dividend —				
per share	5.0p	4.0p	3.0p	2.1p
times covered	4.8	5.1	5.9	4.5
Earnings per share	20.1p	21.95p	17.21p	11.27p

Copies of the Annual Report and Accounts for the year to 31st December 1981 may be obtained from The Secretary, Clifford's Dairies plc, Western Rd, Brackley, Berkshire RG12 10A.

BUSINESS NEWS/COMPANIES AND MARKET REPORTS

A question of timing for Associated Dairies

Waiting for expansion to pay off

In 1973 Associated Dairies Group (ADG) went into furniture and carpets in search of higher margins than in its cornerstone market of groceries only to find itself in the worst recession for years in the home furnishings market (Derek Harris writes).

There are two questions as the group nears the end of its trading year early next month. One, will results from furniture and carpets be as bad as in the first half when trading profits plunged nearly 80 per cent?

Two, how far is the furnishing division ready to gain from any economic upturn?

The fact that the group is now ready to talk more freely about what has been going on in Allied Carpets and what is now the Wades chain of furniture stores is probably encouraging in itself. Mr Roy Bousfield, ADG's managing director and vice-chairman, agrees that the question the group has to face is whether it took over the two concerns, including the Williams furnishing stores chain that went with Allied, at the right time. "We do not feel we moved at the wrong time," he added.

Sales have been hit — 10 per cent off at Allied Carpets which as Britain's largest specialist carpet retailer has been the most exposed to recessionary effects on trade — but both Allied and Wades are in profit, according to Mr Bousfield. Wades, which has almost doubled in size with conversions of 37 old down-market Williams stores, has had sales increases of 6 per cent.

With 72 outlets Wades now has increased purchasing power, able to buy at keener prices. Inflation in furniture prices has been well below the Retail Price Index rate anyway so by simply pegging



Noel Stockdale, chairman of Associated Dairies

prices in the Wades outlets gross margins have benefited.

An extensive refurbishing programme, £12m at Allied Carpets over three years as the chain has been taken slightly up-market, and £3m at Wades over 18 months, is now shelved.

That puts the furnishing division ready in the new financial year, to feed any extra trade straight to the bottom line. But of this current year's trade Mr John Elston, of stockbrokers James Capel, estimates there could be £1m profits apiece from Allied and Wades, modifying the decline year-on-year to 62 per cent.

The two Ukay furniture stores in London at Olympia and Bow are being retained even though a net profit is not being looked for by Mr Bousfield. Mr Elston estimates a £300,000 loss compared with £1.5m the previous year.

Although in both furniture and carpets customers during the worst of the recession may have been trading a far down the

market as possible where they were buying at all, there are good arguments especially on margins for the current market positioning of both Allied and Wades. Mr Bousfield believes that easing on the mortgage front and a construction upturn could begin to show in furnishing trade within two of three months.

He believes Allied can reclaim its sales losses — it has not shed any of its 10 per cent market share — and that the Wades turnover can be geared up further.

Sales of carpets at Wades, accounting for 12 per cent of the selling area, are up by 90 per cent and bedding sales have also increased.

The potential of Allied and Wades, with new store openings still to come, seems undoubted once the economic situation improves. That with some uncertainty still about the ability of the Asda stores operation to regain its old momentum, nevertheless could mean still unexciting results

in the first half of the next financial year.

The Elston forecast is that up to £59m pre-tax this year (7.8p earnings per share and a multiple of 17.2) could rise in 1982-83 some 10 per cent to £65m (earnings per share 8.6p and a multiple of 15.6).

Divided views on Ferranti

High technology defence equipment such as the weapons control systems designed for the Royal Navy by the electronics group Ferranti may be used in earnest in the South Atlantic. But it is difficult to say whether such anticipation has been behind this week's steady rise in the Ferranti share price as several factors may be at play (Drew Johnston writes).

Ferranti is strongly fancied as a candidate for takeover. Its expertise and growth potential in defence and electronics make it an attractive prospect. Plessey, Racal-Decca and GCE all being spoken of as possible suitors. An overseas bid is probably ruled out on security grounds.

Opinion is divided on what to do with Ferranti shares. Stockbrokers Hoare Govett are bearish on the grounds that the institutions which took Ferranti stock from the National Enterprise Board in 1980 will be free to dispose of their holdings from July.

They argue that the institutional sale will result in significant price weakness. They also think there will be no bid for the company before July.

But other brokers say that the steady improvements in the internal operation could lead to a substantial profits rise over the next couple of years. One analyst said he would be loath to suggest the share price is currently too high, at its present level — 637p per share.

For the year just ended, there seems to be agreement that pre-tax profits will be around £23m,

against last year's £18m. Analysts expect an increase in the payout and forecast a prospective dividend yield of 1.6 per cent.

Next year, pre-tax profits are expected to touch £28m. The company is currently trading at a 26 times fully taxed earnings, but some analysts think that judged on the trading potential this should be 4 or 5 points less.

Confidence in Ferranti's strongly improved efficiency is underpinned to some extent by its relatively high dependence on United Kingdom public sector business.

Earlier this month the share price was given a slight boost from the formal signing of a £49m contract for the design and supply of weapons systems for the Brazilian navy. The deal was agreed last autumn, but could now be in jeopardy if the Organisation of American States sides with Argentina and acts against imports from the United Kingdom.

Cash call at Steel Bros

Steel Brothers, as widely tipped, called on shareholders yesterday to raise £4.5m to finance both past and future expansion, (Margaret Pagano writes).

The rights issue is at 170p a share on a one-for-four basis. The group's shares jumped 25p to 230p on the news — well above the year's low of 205p.

The cash call comes to repay some of the money borrowed from Steel's bankers over the last year to support its many expansion projects in the United States and Canada. Last year saw the group invest £2.8m in the part cost of building a new lime plant in Montana; it bought and improved lime operations at Tacoma, Washington for \$5.5m (£3.2m); doubled capacity of its Pavilion Lake for \$8.7m, and constructed a bulk lime terminal in Canada. About £3.5m from the issue will

be repaid and the balance will go to reduce borrowings, which, at £26m at the year end, represent a 7 per cent gearing ratio to shareholders' funds.

Steel, which earns 90 per cent of its profits overseas, continues its two-pronged policy of expansion — into developing its rock and construction business in the United States and diversifying the foodstuffs interest into the Far East and other markets.

Signs of improved demand for both its main businesses came with full year figures for the year to December. Pre-tax profits are up 41 per cent to £7.8m on turnover higher by £10m at £110.5m. At the trading level profits were £15.4m against £10.4m and a profit breakdown shows foodstuffs (covering wholesaling and trading, canteen, diners and aircraft packed meals) up to £4.1m against £2.9m. Rock and construction profits rose to £2.3m against £1.9m.

Better trading in most markets lies behind the increase and Steel is now looking to develop its Spinney foodstuffs concern, so far mainly concentrated in the Middle East, into the Far East. Airflight packed meals in the United Kingdom out of Gatwick are only a small operation — the group lost the Laker contract — but expansion here is also planned.

A final dividend of 9.2p gross is being paid, making a total of 13.7p compared with 11.4p last time.

A recent revaluation of the group's land and buildings, excluding limestone and gravel land, disclosed an unrealized surplus of £5.4m which has been taken into accounts. Results have also benefited from lower sterling rates on profits earned overseas. But interest charges, up at £4.4m against £2.4m, were an additional burden.

Mr Anthony De Boer, chairman, says the group's other activities made small, but useful, profits despite difficult trading. Signs are, he adds, the recession may have reached its lowest point

US airline warned by auditor over debts

Oakland, California, April 22. — World Airways, one of several United States airlines hard hit by recession, has been warned by its auditors that it may be unable to continue in business because of a cash shortage.

But the former leading charter flight operator, which joined scheduled carriers when President Carter deregulated the domestic airline business in 1978, said yesterday it was optimistic it could reschedule its debt payments.

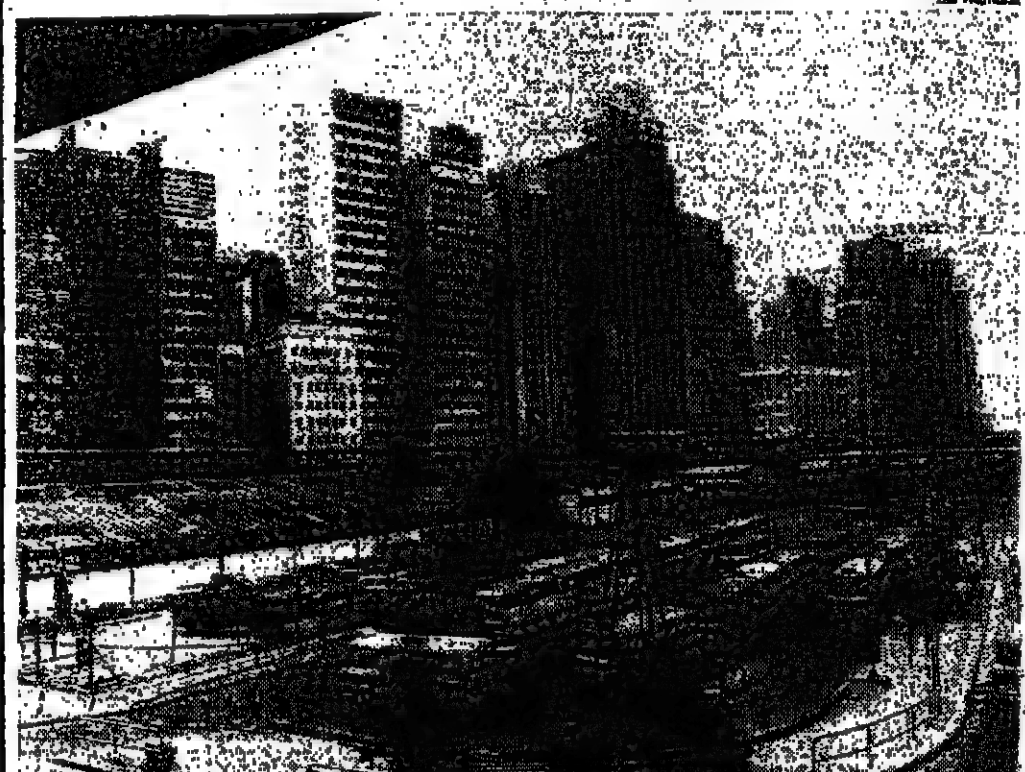
A report by auditors Peat Marwick Mitchell said that a greater-than-expected 1981 loss of \$20.2m (£11.3m) could prevent the airline from continuing its operations because of its needs to repay debts.

World Airways, which operates transatlantic routes, had been anticipating its 1981 losses would be \$12m to \$15m after a 1980 deficit of \$28m.

It blamed the dismal 1981 results largely on interest expenses of over \$50m, but said that talks with its creditors in extending payments falling due over the next 14 months were progressing satisfactorily.

Other leading American airlines are also in difficulty. Texas-based Braniff is struggling to overcome losses totalling \$310m over the past three years and is trying to restructure debts of more than \$730m.

American Airlines, the country's third largest commercial carrier, has just reported pre-tax losses of \$75.4m in the first quarter of this year compared with a profit last year of \$4.1m. Reuters.



Work has begun on site (above) for Hongkong's unified Stock Exchange, which will replace the existing buildings, after Hongkong Land's \$432m acquisition of the land in Causeway Road Central. Under the terms of the tender by which the group bought the 144,200 sq ft site it must provide a bus station covered by a two-storey podium to house the Stock Exchange; but above this offices can be built to a maximum height of 600 feet.

Sizable job cuts loom at ICI

By Rupert Morris

The broadest hint yet that substantial redundancies are on the way at Imperial Chemical Industries was given yesterday by Mr John Harvey-Jones, the company's new chairman.

Radical rationalization "on a European scale" was necessary in plastics and petrochemicals, Mr Harvey-Jones told ICI's annual meeting in London. It was his first direct contact with shareholders since he succeeded Sir Maurice Hodgson as chairman at the beginning of the month.

He saw the problem as similar to that which once existed in the fibres sector. The halving of the fibres workforce from 18,000 to 9,000 in the past 10 years was masterminded by Mr Harvey-Jones.

Rationalization, he told the meeting, would include portfolio exchanges and the closure of inefficient and older plants.



John Harvey-Jones: pursuit of efficiency.

A poor start to the year meant "economic recovery had been delayed," he said. "Hence we cannot afford to let up in our pursuit of further efficiency and operating economies."

He said it might take longer than the company would like to return every sector to profitability, and stressed that there was no question of leaving Britain.

Cost reductions, technology advances, and export breakthroughs had, however, combined to produce a realistic sense of confidence.

"One expression of this confidence is the partially restored dividend. It is our firm intention to improve the return to shareholders as soon as earnings permit."

Improvements of up to 40 per cent in energy efficiency at new plants were another significant advance, he said.

"Any general caution I have," he said, "is not about ICI's ability, but about the economic climate and its uncertainties."

Anxiety about job losses has, however, prompted the seven trade unions at ICI to form a national joint body to discuss the company's strategy with directors. The unions remain extremely concerned that ICI is directing most of its energies to overseas expansion at the expense of the British workforce.

Document exchange centres licensed

By Bill Johnstone, Electronics Correspondent

Over 100 document exchange centres in the United Kingdom have formally been awarded licences by the Department of Industry to deliver mail to each other.

Prior to the granting of these licences documents have only been deposited and collected by the members of a particular exchange.

The licence is general not requiring individual applications and is effective immediately.

Mr Patrick Jenkins, Secretary of State for industry, who published the licence yesterday said: "These measures will both stimulate the Post Office to greater efficiency, through introducing an element of competition into the postal monopoly, and will benefit the customer by giving him the choice of service in areas where this is desirable."

Document exchanges have grown in popularity over the last five years and have been largely used by lawyers and banks for the exchange of confidential paperwork. The Post Office has its own service based in the Stock Exchange called Exchange-post.

Most of the exchanges have been transmitting documents to each other since the passage of the British Telecommunications Act last July.

The licence completes the programme for liberalizing the postal system. Other measures include the issuing of a general licence which enables charities to deliver Christmas cards and the suspension of the Post Office monopoly on time sensitive material provided that the charge is greater than £1 a letter.

FIRST LOCAL ICI CENTRE OPENS

ICI has opened at Reading the first of its planned computer centres. Seven more are scheduled for London, Croydon, Bristol, Manchester, Wakefield, Birmingham and Edinburgh, and others outside the United Kingdom will bring the total to over 40.

The centres will concentrate on making local businessmen aware of the benefits of computers by "taking the jargon and the mystique out of computers."

Sperry has announced details of its computer-aided design (CAD) and manufacturing programs (CAM) for its computer systems.

The system UNIS-CAD will speed up design of products with higher quality and lower cost, Sperry claims. It allows all aspects of design engineering and manufacturing to operate from a single bank in one computer.



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BUSINESS NEWS/FOCUS AND COMMENT

INTERNATIONAL



Inflation in US 'could fall to 3pc'

United States inflation could fall to 3 per cent by the end of this year from February's year on year consumer price rise of 7.7 per cent, Mr. Herve De Carmoy, the Midland Bank west and eastern Europe General Manager said in Paris.

He said with the fall in inflation, which would come partly as a result of the strength of the dollar, real United States interest rates would fall to between 5 and 7 per cent, compared with the present 8½ per cent with prime rates at 16½ per cent.

The fall in United States inflation and the continuing high level of real interest rates would have a serious impact on European economies, he added.

SWITZERLAND

The Swiss Federal Banking Commission is investigating three banks that have been charged with involvement in the illegal flight of capital to Switzerland. The banks under investigation are: Banque Occidentale pour l'Industrie et le Commerce, Bank Leu and Banque du Gothard.

Switzerland's four biggest commercial banks yesterday cut their interest rates on time deposits by ¼ point. The fall is the seventh since March 1.

GUYANA

Guyana has announced the first oil find 200 miles south of Georgetown. A statement from the Ministry of Energy and Mines described the discovery as encouraging but added reserves must be assessed before any commercial development can be contemplated.

AUSTRALIA

Australia's consumer price index rose 35.1 in the first quarter, up 1.7 per cent from the last quarter of last year and 10.5 per cent from March last year.

HONGKONG

Union Carbide said it has sold a 50 per cent stake in a Taiwan petrochemical venture, after seeking a buyer for more than a year. The United States company sold its 25 per cent share of Oriental Union Chemical to Central Investment Holding on January 18, according to Mr. E. Law, chairman of Union Carbide Eastern, a subsidiary.

JAPAN

Japan's gold imports surged last month to a record 55.7 tonnes, more than triple February's imports and nearly five times more than in March last year.

Advertising: an unstoppable boom?

Advertising expenditure on television and in the national press has increased rapidly in the first quarter of the year and industry economists are forecasting an advertising boom which could turn 1983 into the best year yet for the industry.

Independent Television's net advertising revenue rose by 25.7 per cent in the first three months of this year compared with the same period last year. Figures for press expenditure are harder to come by since, unlike ITV, Fleet Street does not publish its monthly revenue figures.

However, predictions from the Advertising Association indicate the newspaper increase will be higher than that of television, at 28 per cent.

Much of the newspaper boom, according to the Advertising Association's director of research, Mr. Mike Waterson, is accounted for by the increase in colour supplement revenue, with two new titles, the *Sunday Express Magazine* and the *News of the World's Sunday* giving the sector a boost.

The Advertising Association's forecast, published quarterly, is normally accurate and its prediction for television revenue in the first three months of this year was close to target.

"We hold the view that the volume of advertising expenditure in general, and television in particular, is still basically governed by economic factors such as the level of consumers' expenditure and company profitability", says Mr. Waterson.

"If this assumption is correct, the next two years should be good ones for most sectors of expenditure, unless the Government continues to follow the monetarist flag with much greater fervour than seen before".

The boom in television revenue began in the third quarter last year, which saw the ITV contractors' revenue grow by 25 per cent on the same period the previous year.

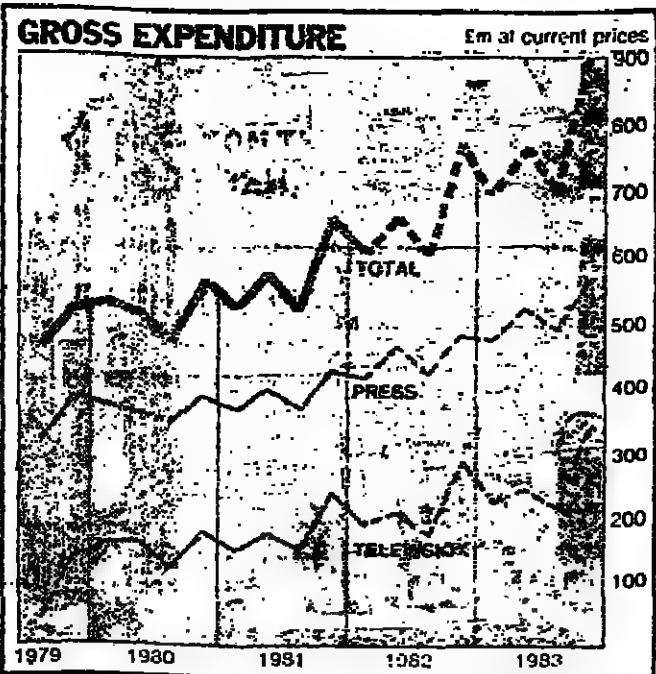
The following quarter, which takes in the pre-Christmas rush and is ITV's best time of the year, saw an increase of 31 per cent.

Other media, meanwhile, were still showing little or no increase and it is only in the last three months that the press has begun to experience the advertising revival.

"The most likely explanation for the sudden growth of TV advertising is that the turning point for the profitability of consumer goods industries occurred in the middle of 1981, well before any change in industrial and intermediate goods markets", says Mr. Waterson.

"There is evidence to show that television expenditure tends to recover from recessionary conditions rather more rapidly than other sectors of expenditure and this could well be due to the fact that heavy TV advertisers tend to be concentrated in sectors of the economy which recover from the recession rather early in the trade cycle."

Other factors have fuelled the television spending boom,



Because the amount of television advertising per hour is restricted by Government (unlike that in newspapers, which can simply print more pages) the cost of airtime, and hence revenue, is directly linked to demand. Recently the TV contractors have been very successful in increasing this demand.

While the major TV boom has happened already and its revenue will more or less settle down now on a steadily rising graph over the next two years, national news-

papers are set for a boost over the next six months says the Advertising Association, in display advertising terms, if not in classified.

Following its forecast of a 28 per cent increase for national newspapers (including colour supplements) in the past three months, it sees a 33 per cent rise in the current quarter, compared with the same term last year, and a 28 per cent rise in the following quarter.

Overall the Advertising Association forecasts a real

increase in advertising expenditure of five per cent in each of the next two years, which would bring total spending to over £3,000m — a record in real terms.

Some observers, however, are less optimistic than the Advertising Association. One reservation they have is that the new advertisers who have been attracted to television in recent years do not necessarily have the fundamental belief in the value of advertising for the success of their products that the traditional brand advertisers have.

The new advertisers, so the argument goes, such as retailers, motors and entertainment firms, are not believers in the long-term value of advertising but use it for tactical short-term benefits, rather than in strategic brand-building terms.

In other words, the current boom, built as it has been largely on the revenue of new types of advertiser, might not be as stable as it seems.

There is another argument which is linked to that. "Ironically, as economic conditions improve, we might find that firms aren't having to advertise so much", says Mike Chapman, vice-chairman of Ogilvy and Mather.

"One reason we have done so well recently is that firms have been having to compete very hard to survive, advertising heavily to get rid of surplus product."

Torin Douglas

Beaming in on supermarkets

TECHNOLOGY: LASERS

By Clive Cookson

Nearly three-quarters of the items checked out of Britain's supermarkets now bear a bar code, the parallel lines of varying width which a computer can scan with a laser to identify the product and its price.

That means the grocery trade is about to pass the magic point at which manufacturers are bar-coding enough goods to make laser scanning an attractive commercial proposition. Industry experts generally put the crucial proportion between 70 and 80 per cent of sales volume.

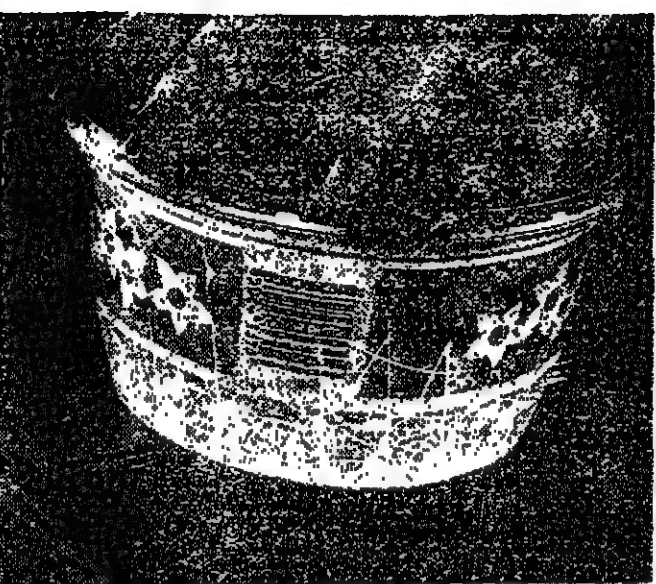
During the two and a half years since Keymarkets opened Britain's first scanning supermarket only 10 stores have introduced systems, all on a trial basis. But the total will increase three-fold this year, led by Tesco which plans to install scanners by 15 supermarkets by the end of 1982.

Next year, after the trials are complete, the retail trade is likely to plunge into scanning on a far larger scale, and growth should continue at an exponential rate until the end of the decade. The market survey firm, A. C. Nielson, has

estimated that the number of scanning shops will pass 1,000 between 1985 and 1990. The Distributive Trade Economic Development Committee (EDC), in a report on new technology published this week, forecast that this mark would be reached nearer the beginning than the end of Neilson's four-year period. It points out that Spar, the voluntary group of independent small supermarkets, expects at least 1,000 of its members to be scanning by 1990.

It is clear from the EDC that, for most British shoppers, widespread laser scanning will be the first major manifestation of the electronic revolution in the distributive trades. Others, such as armchair shopping from home via data terminals and electronic funds transfer (the "cashless society") lie further into the future.

All scanners incorporate a low-power laser, which the check-out operator activates automatically by passing an item over a glass window on the counter. Within the machine, rapidly rotating mirrors or prisms break the



Laser beams criss-cross a margarine pot as it is pushed over an IBM 3687 scanner window at a supermarket check-out. Each line of light is the trace of an extremely fast moving spot.

laser light into a series of fast moving beams.

When a beam crosses the bar code, the machine detects the width and distribution of the lines, and its computer converts the pattern into the 13-digit number assigned to a particular product under an international convention. The number is instantly transmitted to an electronic price file which relays the product's price and description back to the register.

The information is shown on a display panel and simultaneously printed on the customer's till receipt with, for the first time, a brief description of purchases

each product is clearly labelled on the shelf edge.

Curiously in the United States, where the scanning movement is about five years ahead of Britain and nearly 5,000 supermarkets are now involved, retailers are only just beginning to give up item price marking. They are meeting fierce resistance from consumer organisations claiming that shoppers need to see the price of everything in their trolley or basket as they go round the store. In the United Kingdom, the Article Numbering Association and supermarkets with trial systems have tried to consult consumer groups and there has been little opposition.

In the United States, the manpower has been at the check-out counter, where supermarkets traditionally operated with two employees: one to ring up prices and the other to put the customer's purchases into a bag. Scanning is so much faster than entering prices on a traditional cash register that one person can now do both operations.

Most of the scanners available in Europe are based on American technology, because of the United States' head start in supermarket scanning. IBM has taken an early lead in the embryonic British market, winning the majority of orders for trial systems. The company's latest 3687 scanner is believed to be the first commercial application of holography, the technique of using three-dimensional images.

The most visible benefit for supermarkets is that staff are relieved of the chore of marking the price on every item, so long as the price of

Business Editor

Was fiscal policy too tight?

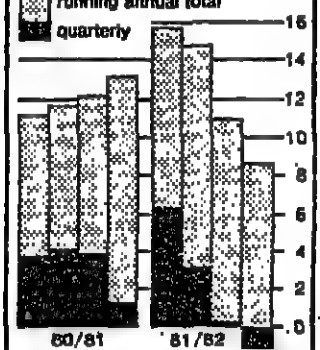
A public sector borrowing requirement of £8,600m for the financial year just ended against an original estimate — only recently confirmed, moreover — of £10,600m is bound to be taken as penetrating ammunition by critics of Government policy. Indeed, when one allows for the adverse impact on Government revenue of the civil servants' dispute, the undershoot is larger still.

But in what senses does this add up to a suitable case for criticism? Most obviously, it is tempting to suggest that the Treasury got it wrong and the result has been that much of last year's tightening of the fiscal stance and raising of the tax burden was unnecessary. Yet the outcome is just about on periphery of the accepted norms for margin of error (based on past experience), was apparently not visible to the Treasury even a few weeks ago, and had far more to do with the financial behaviour of local authorities than central government.

But if one accepts the margin of error argument, together with that of the short-term invisibility of what goes on outside Whitehall, is that good enough? For a start, a £3,000m margin of error in either direction — total range £5,000m — is fairly critical in the context of a momentary policy (or ought to be) trying to avoid over-funding yet fine-tune monetary growth within 4 per cent band worth about £3,500m.

The answer is that we probably have to live with the imperfections of an imprecise system and apply flexibility where it appears appropriate. Whether the PSBR will undershoot significantly this year too remains to be seen. Certainly, some city analysts are expecting enough room for a little fiscal flexibility during the autumn.

PSBR



Dunlop Optimism

In its first year divorced from Pirelli, Dunlop has slipped from £10m pre-tax profit to break-even as finance charges of £45m

have wiped out pre-interest profits. Net losses per share have deteriorated dramatically, from 11.3p to 29.4p, but these bald figures conceal the company's official optimism that the critical British tyre business is definitely recovering and could be in the black in 1982.

Total sales rose by 5 per cent last year to £1,456m, to which tyres contributed £338m against £743m in 1980. Despite losing £16m at the operating level in the United Kingdom, and another £2m elsewhere in EEC, tyres made a worldwide operating profit of £24m.

Hopes for the British market are based on higher shares of the original and replacement markets. Losses fell from £11m in the first half of 1981 to £5m in the second half and current trading is profitable.

Sizeable asset sales are unlikely this year, so the company will be dependent on its underlying trading. The British workforce has been slashed to 24,000 in five years as part of Dunlop's drive to higher productivity. Financing charges fell by £4m, and despite year-end gross borrowings being £35m higher at £363m, predominantly because of the cost of consolidating Dunlop France, net borrowings are down. But they are still more than 90 per cent of equity and Dunlop desperately need to maintain the recent progress in tyres and improve trading cash now.

BAe Buying Sperry

British Aerospace's £45m purchase of Sperry Gyroscopes effectively concentrates the British electronic weapons industry in the hands of five large groups — the others being GEC, Ferranti, Plessey and Racal — but the deal has attracted no objections from the Ministry of Defence.

Sperry Gyroscopes, whose sales bounded from £38m in 1979 to £65m in the year to the end of March, will become the fifth division of BAe's Dynamics Group whose turnover last year was running at £453m. Sperry's pre-tax earnings of about £2.5m for its last year compare with the Dynamics Group's contribution of £33m to BAe's total trading profit for 1981 of £95m.

The sale will provide Sperry's parent, the American Sperry Corporation, with much needed cash to relieve its short-term debt burden, while BAe will gain from the injection of some more advanced technology particularly in the underwater weapons systems area where it has been keen to expand.

Points made by the Chairman, Michael H Caine

Booker McConnell's profit before tax in 1981 was 20% higher than in 1980. Encouraging increases have been achieved in Food Distribution and Agriculture, and action has been taken to eliminate losses in a number of the engineering businesses.

Divisional performance

The Food Distribution Division increased its profit by 42%. Net margins increased and these businesses are now on the way to producing an attractive return.

Agriculture had a healthy increase in profit. In the USA Arbor Acres had a highly profitable year although Nicholas Turkey was less successful. From its UK base Booker Agriculture International increased its profit. Each of these three businesses, forming the Ibex group, has a leading position in specialist markets which allows scope for continuing expansion.

In Engineering, Plenty returned to a satisfactory level of profit. SPP with higher sales also did well. Fletcher and Stewart and Fletcher Sutcliffe Wild each suffered from much lower sales. A number of the smaller businesses have been sold or rationalised.

Health Products Trading had a mixed result. UK profits from health foods and chemists' shops moved forward strongly but the North American businesses suffered losses due to development expenditure.

Summary of Results		1981	1980
		£m	£m
Turnover		933	834
Profit before tax attributable to Booker McConnell		15.3	12.8
Equity earnings		12.7	11.8
Earnings per share:		pence	pence
historical cost basis		10.2	9.5
current cost basis		5.4	3.9
Dividends per share		3.5	3.1

KEEN CUTS
 CASH & CARRY
Budgen
 SUPERMARKETS
 VITAMIN SUPPLEMENTS
ALLISON
 STINGROAD FLUOR
 POLYMER BRITING
341
 AGRICULTURAL MANAGEMENT
Plenty
 EQUIPMENT FOR THE OIL AND GAS INDUSTRIES
FEW
 MINING AND MATERIALS HANDLING EQUIPMENT
BOOKER LINE
 SHIPPING
 Agri-Products
 (EXPORTS)
Halvini
 WINE
Tia Maria
 LIQUEUR
LAMBS
 NEW BIRM

Booker McConnell
 FOOD FOR SUCCESS
 AND A GREAT DEAL MORE BESIDES

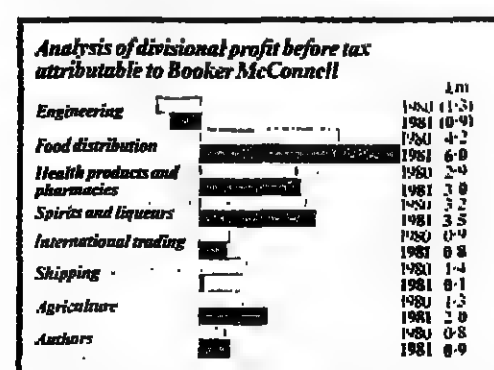
In Spirits and Liqueurs, sales volumes generally were lower although better margins secured a satisfactory profit.

In Shipping, Coe Metcalf had great success whilst the Booker Line made a substantial loss, partly due to the seamen's strike.

The Authors' Division profit reflected Agatha Christie's continuing popularity.

Prospects for 1982

There is still much to do to restore earnings per share to the levels of 1978 and 1979.



Food Distribution will increasingly benefit from the rationalisation of recent acquisitions. There are attractive growth points outside the traditional wholesale businesses — in fresh, frozen and specialist foods and in wine. A profit is expected in Engineering with contributions from all the businesses except Fletcher and Stewart.

In Health Products Trading there will continue to be high costs in planned marketing development in the USA and the launch of new products in the UK. Another increase is hoped for in Spirits and Liqueurs. In Shipping, the Booker Line's prospect remains uncertain. Ibex should again increase its profit.

In total the improvement in profit achieved in 1981 is expected to continue into 1982. The move to a higher level of profit is apparent in many of the businesses. The corner has been turned.

To: Booker McConnell PLC, Bucklersbury House, 83 Cannon Street, London EC4N 8EJ. I would like to know more about Booker McConnell. Please send me a copy of your report and accounts.

Name

Address



Booker McConnell PLC



Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the Directors for the quarter ended March 31, 1982

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 shares of 50 cents each

OPERATING RESULTS

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Tons milled 000	138	144	282
Yield—g/t	721	735	728
Production—kg	9 950	10 550	20 500
Cost—R/square metres milled	6 456	6 762	6 609
R/tion milled	328.04	286.19	307.12
R/kg produced	92.73	56.25	74.49
R/kg produced	6 962	6 114	6 538

JOINT METALLURGICAL SCHEME

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Tons 000	628	657	1 285
Head grade	0.52	0.47	0.49
gold—g/t	0.52	0.47	0.49
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	1.02	1.02	1.02

PRICE RECEIVED ON SALES

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Gold—R/oz	11 727	13 257	12 707
—\$/oz	387	405	396

FINANCIAL RESULTS

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Gold—revenue	8 000	8 000	8 000
Costs	11 306	11 799	11 552
Profit	43 231	41 341	86 572
Joint Metallurgical Scheme profit	30 458	31 146	61 604
Net sundry income	3 762	3 982	7 744
Profit before taxation and State's share of profit	40 855	38 386	79 241
Provision for taxation and State's share of profit	4 678	18 340	23 018
Profit after taxation and State's share of profit	36 177	20 046	56 223

DIVIDEND

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Appropriation for capital expenditure	50 295	50 295	100 590
Dividend—interim	10 704	10 704	21 408
Retained profit for the six months	4 122	4 122	8 244

CAPITAL EXPENDITURE

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Tonnage milled and treated for President Brand Gold Mining Company Limited	23 553	22 547	46 100
Cost—R/ton	36 009	36 009	72 018

DEVELOPMENT

	Quarter ended March 1982	Quarter ended Dec 1981	Six months ended March 1982
Advance metres	14 436	1 498	15 934
Channel width cm	37.8	27.83	32.81
gold	27.83	27.83	27.83
uranium	0.53	0.53	0.53
kg/t	0.53	0.53	0.53
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Channel width cm	37.8	27.83	32.81
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From John Hennessy, Golf Correspondent, Madrid, April 22



Mason: composed round

MOTOR RACING

From John Blunsden, Imola, April 22

compete with the more powerful turbo-charged Renaults and Fer-

Ken Tyrrell told me this afternoon: "Just because I am

here does not necessarily mean I shall race my cars on Sunday. I have to study very carefully precisely what rules the organizers will be operating and meanwhile you can take it that I agree 100 per cent with the FOCA

stand over this matter".

It was Renault who protested about the two cars in Brazil before the lower court. The hole clarified. But they are surprised and even embarrassed by the severity of the tribunal's findings.

FIFA's request for a postponement of Sunday's race was to "give us time to investigate the legal consequences of the de-

facto situation, which is that FIFA remain the ultimate authority and that its decisions are final."

Unfortunately, the root cause of so many of grand prix racing's ills is the farcical engine rules which equate three-litre normally aspirated engines with one-and-a-half-litre turbocharged units. There is no such equivalency of power output; and those who have chosen the turbo route are

By Nicholas Harling

Nat West trophy prize money up

This year's National Westminster Bank Trophy winners will be £2,000 better off, thanks to an increase in prize money announced today. The winners will receive £12,000 compared with £10,000 last year. Narwest have increased their total prize money to £33,000, £4,400 more than last year.

PRIZE MONEY: Pool year's figures in brackets: Winners £12,000 (£10,000); Runners-up £5,000 (£4,000); Losing semi-finalists £2,500 (£2,000); Losing quarter-finalists £1,250 (£1,000).

■ Midland made a profit of £12,647 last season. Exceptionally high receipts from Test matches (296,000)—were the main reason.

Scotland on their metal

Scotland will have an interesting blend of old and new players in their team to meet England at Milton Keynes tomorrow night.

Bill Miller, the American coach of the first forward in charge of the team, has chosen Seymour Hadwen from his own club, Murray International Metals for the first time.

Hadwen, a 22-year-old student at Aberdeen University who played for the British Universities last year, is a skillful goosie and will add to the Scottish goosies in attack.

Miller has shown faith in Bill McInnes, aged 36, a former British speedway rider who winning his 122nd Scottish cap.

WEDNESDAY'S RESULTS

From Harry Debelius Madrid, April 22.

Vila win 1-0 on aggregate	ARSDR	(0) 2	ST BIRSE	(0) 0
Other MATCH: Bayern Munich 4, CSKA Sofia	CELTIC	(1) 2	DUNDEE UTD	(0) 0
Bayern win 7-4	McMURRAY 2		Dodds	
	DUNDEE	(1) 1	PARTICK TH	(1) 0
	Shoelie		Parri, Jardina	

Scottish first division

BARCELONA	(0) 1	TOTTENHAM	(0) 0	
90,000				
Barcelona win 3-1	HAMILTON	(0) 0	DUNBARTON	(0) 0
Other MATCH: Standard Liege 1, Dynamo	HEARTS	(0) 2	AVR	(0) 0
Standard Liege win 2-0	Hamill, Addison		Sydney	
Standard Liege win 2-0	KILMARNOCK	(1) 2	CLYDEBANK	(0) 0
	Bouris 2			

By Rex Bellamy, Tennis Correspondent

[illegible]

ICE HOCKEY

NATIONAL LEAGUE: Play-off series: Montreal Canadiens 4-1, Los Angeles Kings 4-1, Canada west series 4-1; St Louis Blues 4-1, Chicago Black Hawks 2 (Chicago leads 3-2); New York Rangers 3-2, New York Islanders 3-2; Quebec leads 3-2; New York Rangers 4-2, New York Islanders 2; Islanders lead 3-2.

WHL: British under-19 championship: British Columbia (best) beat St. John's (Surrey) 9-6, 6-5, 6-6.

TENNIS

WORLDWIDE EARNINGS: Men: 1. L.endl (Switzerland) \$2,222,275; 2. G. Vilas (Argentina) \$2,007,450; 4. J. C. Armino (USA) \$200,545, J.-L. Chausse (Argentina) \$181,500. Women: 1. M. Navratilova (Czechoslovakia) \$1,336,676; 6. W. Stauden (USA) \$121,412; 11. J. S. Sadril (USA) \$125,000; 10. B. G. Pangaro (Hungary) \$111,172.

ICE HOCKEY

NATIONAL LEAGUE: Montreal Expos 5, Philadelphia Phillies 2; New York Mets 7, Chicago White Sox 4; Philadelphia 6, St. Louis; St. Louis leads 6, Pittsburgh Pirates 2; Los Angeles Dodgers 6, Houston Astros 3; San Diego Padres 3, San Francisco Giants 2.

ICE HOCKEY

NHL: World Championships: Soviet Union 4-0, West Germany 0; Finland 7, Italy 3.

TENNIS

AMERICA'S ISLAND (Florida): Women's Tennis Association championships, second round: winners standstill; K. Rinaldi beat V. Ruzici (Romania) 6-4, 6-3; C. Lloyd beat L. Laro (Australia) 6-3, 6-1; I. Mandragu (Argentina) beat M. (Pearnu) Louie 6-4, 6-2; 6-3; P. Camilleri beat S. Gomonys (Italy) 6-4, 6-2; C. Tamiel beat S. Gomonys 6-2, 6-2; C. Tamiel (France) beat K. Jordan 6-4, 6-2; K. Harveth beat J. Kitch 6-0, 6-2.

Fagan reaches final

Patsy Fagan beat Doug French,

OSTUNE: Tour of Cycling, Second stage: 1. A.

WORLD PROFESSIONAL CHAMPIONSHIP: Qualifying Round (at Stockport J. Cleaver) - best of 7 frames. **Singapore** (Singapore) - best of 7 frames. **Cleaver** (Stockport) - best of 7 frames. **Gilbert** (Glasgow) - best of 7 frames. **French** (Glasgow) - best of 7 frames. **At Glasgow** Coldest first round in black. **Glasgow** best at Paris (Sheffield), 9-6.

Dallas, April 22
Rebeldia's best

retained her British junior hard court title at Wimbledon two weeks ago, followed up by beating Cathy Drury, the number two seed, 6-3, 6-3, to reach the semi-final of the LTA women's tournament at West Worthing today.

THIRD ROUND: K. Fraser (Surrey) beat A. Croft (Kent), 2-6, 6-3, 6-2; A. Brown (Norfolk) beat S. Gomer (Devon), 6-0, 6-1; M. Vanepe (Japan) beat V. Mearns (Australia), 6-1, 6-2, 6-2; S.

FIRST ROUND: J Connors beat H Pfeifer 8-3, 7-3; E-1; J Borsocini beat V Gurlandis 8-3, 7-3; E-1; Tschotcher beat B Solomon 6-2, 1-6, 6-1; J-1; Wriek (SA) beat R Stockton 6-4, 6-2; A-1; M Meyer beat F Dore (Australia) 6-3, 8-2; B-2; Tschotcher beat R Frimley (Australia) 1-8, 8-3; 6-2; G Meyer beat K Curran (SA) 6-3, 8-2; G-2; Denson beat R Tanner 8-2, 6-2; V-1; Minsky beat S Smith 7-5, 6-2; C-1; Lewis beat J Lloyd (GB) 7-8, 6-2; B-1; G Gottfried beat F Bursching 6-2; R Ramirez (Mexico) beat E van Dillen 6-4, 6-0; M Purcell (SA) beat O Kinnear (Brazil) 6-4, 6-4; M Edmondson (Australia) beat Tim Gullitson 7-8, 6-2; B-1; M Hansen beat

WORLD PROFESSIONAL CHAMPIONSHIP:
Qualifying Round (1st) Stoczkowski J
Meadowcroft (2nd) beat Mike Watterson
(Cheshirefield), 9-7. At Bristol (Final) P Fagan
(Clacton) beat D French (Bosham), 9-6. At

Cycling
OSTUNE: Tour of Puglia, second stage: 1, A. Senguel (Sweden) 4hrs 53mins 08secs; 4, V. Nigro (Italy) same time; 3, E. Bombini (Italy) same time.
GIJONE: Tour of Spain, second stage: 1, E. Planckaert (Belgium) 7hrs 31mins 13secs; 2, E. Vahourne (Belgium) same time; 3, M. Gomez (France) same time. Overall leader: Gomez.

Leeds 3, Arsenal 0

Paris car bomb kills woman and injures 63

From Charles Hargrove, Paris, April 22

A large time bomb exploded this morning in a car just off the Champs Elysees in Paris, killing a pregnant woman passer-by and injuring 63 others, 12 seriously. Parked vehicles, cafes and shops were damaged over a wide area.

Responsibility for the explosion was not claimed, but the explosion by the Government, a few hours after the explosion, of two diplomats of the Syrian Embassy seemed implicit recognition of the alleged role of Syrian secret service organizations in the affair.

Police do not, however, rule out the theory that this latest terrorist attack, the fourth serious one in France since the beginning of the year, was the work of Illich Sanchez Ramirez, alias "Carlos", the international terrorist. It is suggested that the explosion was timed to coincide with the trial today at the Paris Palace of Justice of two of his accomplices alleged by the police to be members of terrorist organizations.

The car, an orange Opel station wagon registered in Vienna, appears to have been hired. It disintegrated in the explosion. Fragments were found on the roof and in the courtyard of a tall apartment building nearby which houses the offices of the pro-Iraq weekly, *Al Watan Al Arabi*.

The weekly, in addition to its pro-Iraq sympathies, is known for its hostility to the regime of President Assad of Syria and recently published interviews with two prominent leaders of the opposition. But a member of the

editorial staff accused Syrian secret service agents of having staged the attack because the magazine was the first to publish articles allegedly incriminating them in the assassination last September in Beirut of M Louis Delamare, the French Ambassador to Lebanon. These revelations were also the subject of a documentary broadcast on French television last night.

Last November, a packet containing an explosive charge was discovered on the newspaper's premises, but it did not explode.

However, there are disturbing coincidences which point to "Carlos". The explosion took place near the spot where his two accomplices, M Bruno Breguet, 31, a Swiss, and Fraulein Magdalene Kopp, a German, were arrested in a car park last February.

Following their arrest, "Carlos" sent an ultimatum to the French government through the French Ambassador in the Hague warning it of reprisals if his two "friends" were not released within a month.

On April 15, on the day when the pair were first brought to trial, two officials of the French Embassy in Beirut were shot.

Today, a court sentenced Breguet and Kopp to five and four years imprisonment respectively and fined them each 10,000 francs (about £900).

Damascus. — Syria today gave two French diplomats 48 hours to leave the country and recalled General Youssef Shakkur, its ambassador to France (AFP reports).

Mountbatten blames failure on 'evil' Jinnah

From Trevor Fishlock, Delhi, April 22

Mohammed Ali Jinnah, founder of Pakistan, was an evil "genius", "a bastard", "a lunatic", "a clot" according to Lord Mountbatten, who as Viceroy presided over the partition of British India in 1947.

In a stringent assessment of his adversary, Lord Mountbatten depicted Mr Jinnah as a man whose arrogance and obstinacy led him to reject a unified India and to accept second-best.

In Mr Jinnah's own words, "a moth-eaten Pakistan". Lord Mountbatten confessed he failed with Mr Jinnah. "He was the key to the whole thing. Dear old Gandhi held nothing at all in his hands. All this misery and trouble was caused by Jinnah and no one else, and he hasn't had one word said against him."

He was the evil genius in this whole thing. I have no worry about Jinnah being shown up for the bastard he was. He had closed his ears. Immovable and impervious... he was absolutely set on his cry of No — he was the de Gaulle of his day.

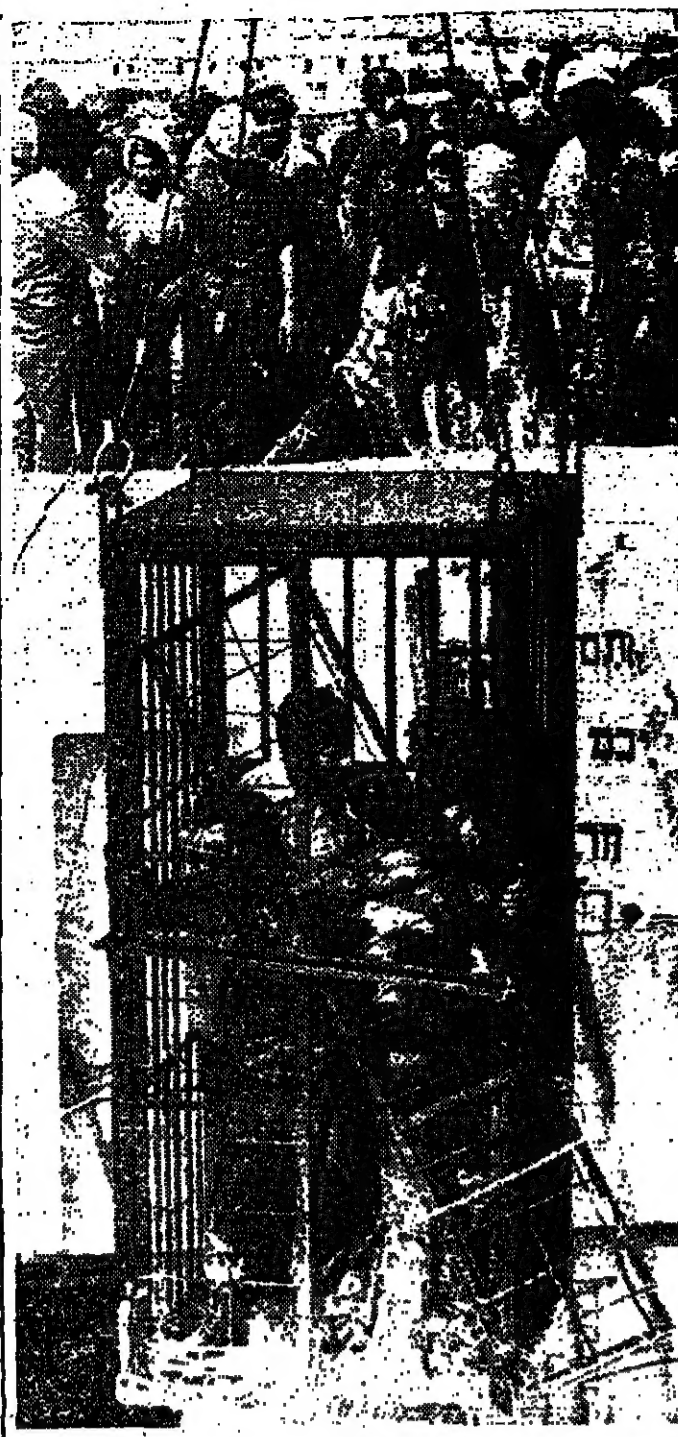
The Mountbatten assessment of the dedicated Mr Jinnah, and other leading figures at the time of Britain's withdrawal from the subcontinent, was made between 1971 and 1973 in interviews he gave to Dominique Lapierre and Larry Collins who were researching their book *Freedom at Midnight*, published seven years ago.

Transcripts of the interviews, as well as papers from the Mountbatten Archive, are the substance of another book, *Mountbatten and the Partition of India*, being published this week by Vikas, Delhi.

As the writers showed in their earlier book, Mr Jinnah was dying of tuberculosis and living on willpower, whisky and cigarettes during the negotiations. Lord Mountbatten was not aware of this, had he known, he might have acted differently in dealing with the threat of a partition which he thought ghastly and sheer madness.

Lord Mountbatten told the writers: "I'm glad I didn't (know) because I don't know what I would have done."

The Mountbatten view of Mr Jinnah is likely to be controversial in Pakistan. Portraits of this aloof, cold man are in all public buildings and offices, and his name is frequently invoked in speeches.



Militant demonstrators carried away by cage from their Yamit rooftop

Siege of memorial

Continued from page 1

Twenty young supporters of the right wing Kach movement, an offshoot of the New York-based Jewish Defence League still occupied a fortified bunker. Yesterday the real tension was taken out of the evacuation when the renounced an earlier threat to commit mass suicide at 30 minute intervals. But their spiritual leader, Brooklyn-born rabbi Meir Kahane, told reporters that they still intended to fight against their removal.

Cairo: Senior representatives from Egypt, Israel and

the United States are scheduled to meet here on Friday for yet another attempt to settle the border dispute between Egypt and Israel in advance of the planned Israeli evacuation of Sinai (Our Correspondent writes).

The hastily called meeting appeared to indicate that Egypt prefers not to leave itself open to criticism from Arab countries opposed to the Camp David accord, who may view a withdrawal to the Israeli proposed demarcation lines — rather than the Egyptian — as a further concession to the Jewish state.

Pym holds private talks with senators

Continued from page 1

Washington on board a British Airways Concorde, was taken straight from the airport to the State Department where he went into immediate session with Mr Haig. He then had a working lunch with the Secretary of State.

Mr Pym was due to address a meeting of the Senate foreign relations committee in private later this afternoon and have further talks tomorrow with senior Administration officials and Mr Haig.

In his arrival statement Mr Pym went out of his way to praise the "heroic efforts" being made by Mr Haig to find a peaceful settlement.

His remarks were intended to show that Britain continued to support American attempts to act as honest broker between London and Washington. The Reagan Administration has been strongly criticized on Capitol Hill and in the American press for failing to support Britain, its foremost NATO ally and the victim of Argentine aggression.

British officials made it clear, however, they were confident that the United States would side with Britain if negotiations failed. They said that while it was right for the United States to stand aside from British requests to its other allies and partners to bring pressure to bear on Argentina, "it is also true that it is taken for granted that the United States cannot in the end of the day continue to be even-handed between the aggressor and the victim."

Although British officials emphasized Britain's desire to see the dispute settled peacefully they said there could be no compromise on the main elements to the British approach.

Moscow: Two Soviet satellites launched yesterday have been sent into orbit that takes them over the South Atlantic and the Falkland Islands, suggesting they might be used to observe British naval activities in the area (Michael Binyon writes).

The launching of the two satellites, numbers 1351 and 1352 in the Cosmos series, was routinely announced by Tass. The agency said the angle of the inclination of the first was 57°, and of the second was 70° and both were said to be carrying scientific equipment for the exploration of outer space.

Frank Johnson in the Commons

Sir Keith identifies a gap — and fills it

"Mr Speaker, I wish to make a statement about the work of the Schools Examination Council, appointed and funded by the Secretary of State for Education. Sir Keith Joseph, uttered those words yesterday, it was clear that the council did not stand a chance.

A few minutes later it was no more. In the absence of any hostilities so far in the South Atlantic, the Prime Minister, in order to satisfy the thirst for battle on the Tory back benches, had sent out Sir Keith to sink a quango. The operation, then, was closely bound up with domestic British politics. In a domestic outburst, Sir Keith told the Government's followers: "I have considered this matter in the light of Mrs Trevelyan's report, which was published in October, and the comments on it. We are grateful to her for her review."

There was no turning back

There was now no turning back. "It has prompted us to give fresh thought to the two functions of the council and the best ways of performing them," he said. Strong words. But did the Government have the will to carry through such a threat? Sir Keith now began to indulge in the inevitable display of *machismo*. "We have concluded that a single body, constituted as an elaborate network of committees on the lines of the Schools Council, is not well placed to carry out both functions," he raved.

On the subject of examinations, he said bluntly: "Medical changes are required. Moreover, 'Ministry' need independent authoritative advice on how these examinations might best serve national aims for education." Such jingo talk sounded very easy from the safety of Whitehall. But would such a policy be enforced in a world ruled by such powers as the National Union of Teachers?

None the less, Tory back bench morale soared at this news of the destruction of the hated Schools Council for Curriculum and Examinations. Suddenly Sir Keith moved on to announce a sudden peace mission. He

would "discuss with the local authority associations the establishment of a Schools Examination Council, appointed and funded by the Secretary of State for Education and for Wales."

So he had him waste one quango in order to replace it with another. What kind of war was this? There was worse to come. He began talking about "curriculum development". It was a "professional activity which goes on — continuously throughout the education system," he said. "This activity needs to be reinforced by a national body with the limited task of identifying gaps, helping to fill them and assisting with the curriculum dissemination of curriculum innovation," he added ominously.

Identifying gaps and helping to fill them! What was wrong with continuing to rely on Britain's dentists for that job? But no, Sir Keith proposed instead a School Curriculum Development Council. Another quango! That now made it two in place of the one he had blown to bits. "Its constitution should promote the sensible ordering of priorities and efficient operation," he muttered on. By now there was a crisis of confidence on the Tory benches. Morale crashed.

A particularly deadening blow

"We shall discuss with local authority associations the establishment of such a body," Sir Keith said. It would be appointed by the Secretary of State after consultation... financed jointly local and central government... most members would be teachers." This last was a particularly deadening blow. But it was followed a few seconds later with the final admission of a British defeat: "We hope that many of the expert staff of the council will be ready to join the new bodies."

It was all over. Sir Keith sat down. When Sir Keith Tories learn that the days are passed when Britain can use force, with any hope of success, against public bodies containing teachers?

Roads project backed

By Michael Bailey, Transport Correspondent

The Prime Minister is understood to have overruled Treasury objections to the use of private finance for new trunk roads. As a result Mr David Howell, Secretary of State for Transport, is to embark on detailed studies into possible hire-purchase methods, and to hold meetings with companies interested in conducting them.

The idea is to encourage road builders to raise finance for new roads as well as building them, thus removing the cost from public sector borrowing limits. Repayment would be by an annual

charge paid by the Department of Transport to the contractor on the basis of traffic using the road.

The proposal raised strong objections at the Treasury on the ground that it was not genuine privatization but merely a device to circumvent public sector finance limits for what remained public sector projects.

Mr Howell sees the proposal as a way of harnessing private capital, providing much-needed roads. A prime candidate is the 15-mile stretch of file endmotorway between Maidstone and Ashford.

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A particularly deadening blow

Continued from page 1

"We shall discuss with local authority associations the establishment of such a body," Sir Keith said. It would be appointed by the Secretary of State after consultation... financed jointly local and central government... most members would be teachers." This last was a particularly deadening blow. But it was followed a few seconds later with the final admission of a British defeat: "We hope that many of the expert staff of the council will be ready to join the new bodies."

Today's events

Royal engagements
Princess Anne, President, Save The Children Fund, opens Trinity House Family Centre, Manchester, 10.
Princess Alice Duchess of Gloucester, patron, British Limbless Ex-Servicemen's Association, attends Service of Thanksgiving, Westminster Abbey, to celebrate their Golden Jubilee, 11.25.
The Duchess of Kent dines with the North Yorkshire Police at Newby Wiske, North Yorkshire, 7.30.

New exhibitions

Contemporary Australian jewelry and recent ceramics, City Art Centre, 2 Market Street, Edinburgh, Mon to Sat 10 to 5; (from today until May 15).
Vikings in England, Yorkshire Museum, York, Mon to Sat 10 to 5; (from today until September 30).
Exhibitions in progress
Antique corkscrews, bottles, decanters, 18th century drinking glasses, Harvey's Wine Museum, 12, Denmark Street, Bristol, every Friday, 10 to 12 and 2 to 4.30; (visitors over 18 only).

Stamps, covers and photographs

depicting sailing ships of the world, Maritime Museum, The Quay, Exeter, daily 10 to 5, 10 to 6 from June 3; (until Dec 31).
Lane Sackert paintings, Wolverhampton Art Gallery, Lichfield Street, Wolverhampton, Mon to Sat 10 to 6; (until May 22).

Top 10 Films

The top ten films in London:
1 *Quest for Fire*
2 *Evil Under the Sun*
3 *Chariots of Fire*/Gregory's Girl
4 *Reds*
5 *On Golden Pond*
6 *Sharky's Machine*
7 *The Boat*
8 *Raiders of the Lost Ark*
9 *The Secret Policeman's Other Ball*
10 *Veiling Hours/Escape from New York*

Roads

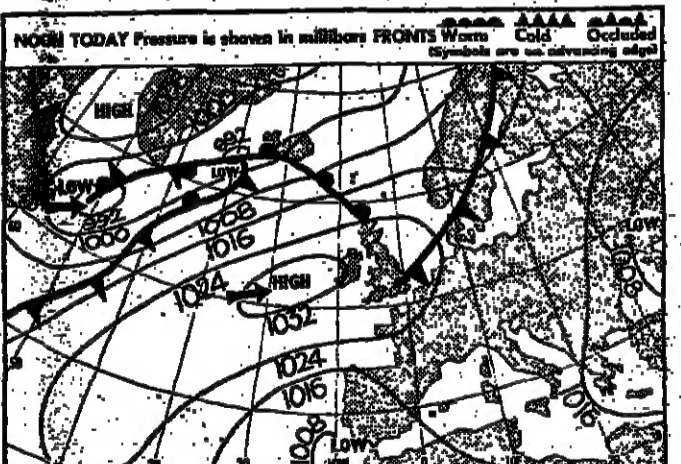
London and the South-east: M11: Lane closures at junction 5 (Loughton) to 7 (Barlow). M11 No entry or exit at junction 13 (Bedford). A3: Lane closures at Buxton Hill, S of Peterfield. Wales and West: A55: Closed this weekend at Holwell (N Wales). A49: Only one lane eastbound from junction 20 to 21 (Bristol). A390: Stop/go boards at Probus village, between Truro and Lost Withiel.

Weather forecast

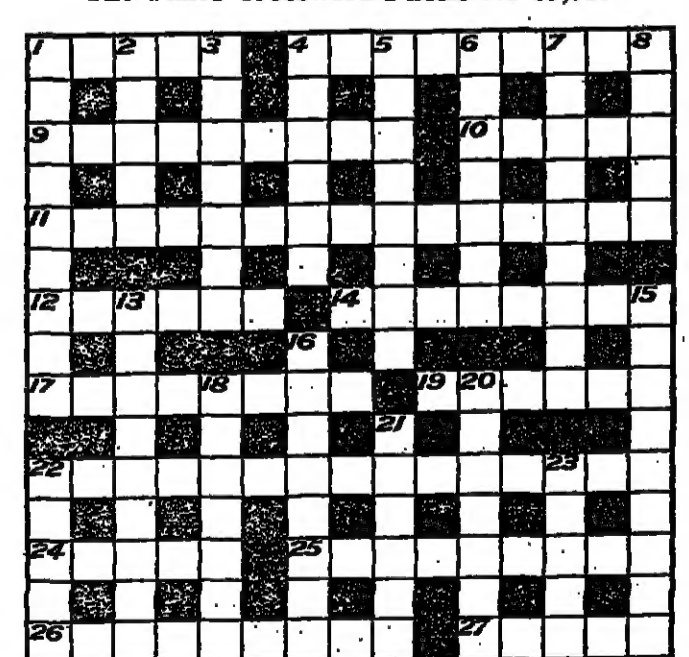
A ridge of high pressure will persist over S Britain, while a weak trough of lower pressure will cross northern areas.

6 am to midnight

London, SE, Central S England: E Midlands: Mainly dry, mist or fog at first, sunny periods developing; wind variable, light, max temp 16C (61F).
E Asia: Mainly dry, mist or fog dispersing inland, sunny periods developing, becoming cloudier later; wind variable, light; max temp 16C (61F).



The Times Crossword Puzzle No 15,813



Talks, lectures

Shells as decoration, by S M Brock, Royal Scottish Museum, Chambers Street, Edinburgh, 11.

St George's Day

England today observes the feast of its patron saint, St George's birth and death commemorated to give thanks for his known to have served as a soldier under the Emperor Diocletian, including a visit to England on a military mission.

Sea

A strike of ramp workers at Dieppe today kept Sealink ferries from Newcastle. Passengers should call 07912 3165.

The papers

We should resist the temptation, however great it is, to inflame total humiliation upon Argentina, says the Daily Express. "Wars are like strikes", it adds; "they leave a legacy of bitterness, and it is better to avoid them than to end them."

High tide

London Bridge 2.10, 8.30, 2.36, 7.3. Southend 1.24, 7.42, 3.33, 8.04, 12.4. Bournemouth 1.24, 7.42, 3.33, 8.04, 12.4. Cardiff 1.24, 7.42, 3.33, 8.04, 12.4. Dover 1.24, 7.42, 3.33, 8.04, 12.4. Exeter 1.24, 7.42, 3.33, 8.04, 12.4. Falmouth 1.24, 7.42, 3.33, 8.04, 12.4. Harwich 1.24, 7.42, 3.33, 8.04, 12.4. Liverpool 1.24, 7.42, 3.33, 8.04, 12.4. London 1.24, 7.42, 3.33, 8.04, 12.4. Manchester 1.24, 7.42, 3.33, 8.04, 12.4. Newcastle 1.24, 7.42, 3.33, 8.04, 12.4. Nottingham 1.24, 7.42, 3.33, 8.04, 12.4. Oxford 1.24, 7.42, 3.33, 8.04, 12.4. Plymouth 1.24, 7.42, 3.33, 8.04, 12.4. Portsmouth 1.24, 7.42, 3.33, 8.04, 12.4. Reading 1.24, 7.42, 3.33, 8.04, 12.4. Southampton 1.24, 7.42, 3.33, 8.04, 12.4. Swansea 1.24, 7.42, 3.33, 8.04, 12.4. Tynes 1.24, 7.42, 3.33, 8.04, 12.4. Wakefield 1.24, 7.42, 3.33, 8.04, 12.4. Wigan 1.24, 7.42, 3.33, 8.04, 12.4. Wolverhampton 1.24, 7.42, 3.33, 8.04, 12.4. York 1.24, 7.42, 3.33, 8.04, 12.4.

Around Britain

Sun Rain: 1. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

ACROSS

- 1 A professorial surname, the easy one? (5).
- 4 Scarier emblem of English admiral and French marshal in 11's time (9).
- 9 Home of idleness not as dull as it might be (5-4).
- 10 In Holland it is silver in colour (5).
- 11 The Widow Capet, victim of 22 ac (5,10).
- 12 Tavern crows we hear is in an institution (6).
- 14 One kind of band and a way to make another (army style)? (8).
- 17 Met with large entanglement of wire (8).
- 19 It sounds frightfully comical (6).
- 22 The fairest award for classical students (8,2,5).
- 24 Bird returns to circle a native village (5).
- 25 Fruit I can get cooked in this device (9).
- 26 Anagrammatize "back row" (9).
- 27 Herb's no waiter, it's said (5).

DOWN

- 1 Simon as newspaper-man? (8).
- 2 "To what green —" was Keats's heifer being led? (5).
- 3 Particular esteem (7).
- 4 Charge small sum on Latin translation (6).
- 5 Fish rising in lake, including one of poor quality (8).
- 6 Marine creature which is a feature in eastern United States (7).
- 7 Rest troubled by the dark waters of the moon? (9).
- 8 A story about for instance a feudal lord (5).
- 13 Sensational performance by new model Hindu hero (9).
- 15 Levantine capitalist to go in for ornamental metal-work ac (5,10).
- 16 Support isn't common in a cockfight? (8).
- 18 Spinning-wheel devotee (7).
- 20 Original material for newspaper, it's otherwise for the scrivener? (7).
- 21 Winnie raised old English bird (6).
- 22 Miller, J — some card! (5).
- 23 Flowing like mead, say, at the Magna Carta scene (5).

Sporting fixtures

Tennis: British hard court championships, at Bournemouth. Football: Fourth Division, York v Crewe (7.30). Rugby League: Second division, Salford v Keighley (7.30). Racing: Flat meetings at Sandown Park (2) and Beverley (2.30). National Hunt at Market Rasen (2.15). Cricket: Cambridge University v Glamorgan (11 to 5.30 or 6). Sport on TV: 2.25 to 11.30, International Tennis — State Express Classic. ITV: 2.25, Mid-week racing from Sandown Park.

Anniversaries

Death, 1616, and (approximate) birth, 1564, of William Shakespeare, Stratford-on-Avon. J W M Turner was born in London, 1775. Mipael de Cerantès, died in Madrid, 1616 and Wordsworth at Grasmere, 1850.

Parliament today

Commons (9.30): Private Members' Bills: Children's Homes Bill, third reading. Food and Drugs (Amendment) Bill, report.

The pound

Australia \$ 1.75 1.67
Austria Sch 33.35 29.35
Belgium Fr 91.25 86.25
Canada \$ 2.24 2.15
Denmark Kr 15.03 14.28
France Fr 11.53 10.93
Germany DM 4.45 4.20
Greece Dr 115.50 108.50
Hong Kong \$ 10.66 10.06
Italy Lit 2385.00 2285.00
Japan Y 456.00 430.00
Netherlands Gld 4.91 4.63
Norway Kr 11.25 10.65
Portugal Esc 133.00 126.50
South Africa Rd 2.25 2.08
Spain Pta 160.75 151.75
Sweden Kr 10.93 10.35
Switzerland Fr 1.93 1.76
USA \$ 97.50 91.50
Yugoslavia Dnr 97.50 91.50
Rates for small denominations bank notes only, at different rates apply at travellers' cheques and other foreign currency business.

Samaritans needed

The Samaritans are appealing for 5,000 more volunteers to help extend their service and reduce the suicide rate now running at 4,000 a year, with probably 200,000 more attempting suicide. There are 180 volunteers. Any one interested should contact their local branch, whose address will be in the local telephone directory.

Highest and lowest

Highest day temp: London Weather Centre, 24.8C (76.6F).
Lowest day temp: Lowestoft, 14.8C (58.6F).
Highest rainfall: Cape Wrath, 0.24in.
Lowest rainfall: Penzance, 11hr.

Prize Crossword in The Times tomorrow

مكتبة الامم المتحدة